

WORLD DRUG TRAFFIC AND ITS IMPACT ON U.S. SECURITY

HEARINGS
BEFORE THE
SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY
ACT AND OTHER INTERNAL SECURITY LAWS
OF THE
COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE
NINETY-SECOND CONGRESS
SECOND SESSION

PART 1
SOUTHEAST ASIA

AUGUST 14, 1972

Printed for the use of the Committee on the Judiciary



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1972

82-848 O

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price 80 cents

COMMITTEE ON THE JUDICIARY

JAMES O. EASTLAND, Mississippi, *Chairman*

JOHN L. MCCLELLAN, Arkansas	ROMAN L. HRUSKA, Nebraska
SAM J. ERVIN, Jr., North Carolina	HIRAM L. FONG, Hawaii
PHILIP A. HART, Michigan	HUGH SCOTT, Pennsylvania
EDWARD M. KENNEDY, Massachusetts	STROM THURMOND, South Carolina
BIRCH BAYH, Indiana	MARLOW W. COOK, Kentucky
QUENTIN N. BURDICK, North Dakota	CHARLES McC. MATHIAS, Jr., Maryland
ROBERT C. BYRD, West Virginia	EDWARD J. GURNEY, Florida
JOHN V. TUNNEY, California	

SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL SECURITY LAWS

JAMES O. EASTLAND, Mississippi, *Chairman*

JOHN L. MCCLELLAN, Arkansas	HUGH SCOTT, Pennsylvania
SAM J. ERVIN, Jr., North Carolina	STROM THURMOND, South Carolina
BIRCH BAYH, Indiana	MARLOW W. COOK, Kentucky
	EDWARD J. GURNEY, Florida

J. G. SOURWINE, *Chief Counsel*
SAMUEL J. SCOTT, *Associate Counsel*
WARREN LITTMAN, *Associate Counsel*
JOHN R. NORPEL, *Director of Research*
ALFONSO L. TARABOCHIA, *Chief Investigator*

II

CONTENTS

	Page
Statement of—	
Senator James O. Eastland, chairman.....	1
Senator Edward J. Gurney.....	2
Gen. Lewis W. Walt, USMC (retired), head, Subcommittee Special Task Force on the World Drug Situation; accompanied by David Martin, senior analyst, Senate Internal Security Subcommittee; and H. Wayne Gillics, special counsel to the subcommittee.....	3
Gen. Lewis W. Walt, USMC (retired); accompanied by David Martin and H. Wayne Gillics—resumed.....	35
Testimony of—	
John E. Ingersoll, Director, Bureau of Narcotics and Dangerous Drugs, Department of Justice; accompanied by William Wanzeck, former Southern Asia Regional Director, Bureau of Narcotics and Dangerous Drugs; and Joseph Koles, chemist, Special Testing and Research Laboratory, Bureau of Narcotics and Dangerous Drugs..	36

(iii)

WORLD DRUG TRAFFIC AND ITS IMPACT ON U.S. SECURITY

MONDAY, AUGUST 14, 1972

U.S. SENATE,
SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY ACT
AND OTHER INTERNAL SECURITY LAWS
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:30 a.m., in room 2228, New Senate Office Building, Senator James O. Eastland (chairman), presiding.

Present: Senators Eastland, Thurmond, Cook, and Gurney.

Also present: J. G. Sourwine, chief counsel, and Samuel J. Scott, associate counsel.

The CHAIRMAN. We have convened this hearing for the purpose of taking the testimony of Gen. Lewis W. Walt on the world drug traffic and its impact on U.S. security.

I think everyone is agreed that the drug problem has assumed the dimensions of a national emergency. In the United States at the present time there are an estimated 600,000 heroin addicts, 300,000 in New York City alone. The situation is even more critical than these statistics suggest because the overwhelming majority of our addicts are young people in their teens or early twenties; and the situation becomes still more frightening when you consider that drug addiction is like a contagious disease, that each person now addicted is capable of spreading his disease to many other people.

In New York heroin overdose has for some time now been the chief cause of death for young people in this age category, while a recent survey in Utah revealed that 33 percent of recent student drop-outs used heroin.

Drug addiction, more than any other single factor, has made our city streets unsafe. It is estimated to be the cause of 50 to 60 percent of our street crimes and burglaries.

The total cost to the Nation in thefts and enforcement has been estimated to exceed \$8 billion a year. Despite our already tremendous expenditure, the epidemic is gaining ground.

There are many ways in which this epidemic impinges on the internal security of our country.

Our internal security is involved when scores of thousands of American servicemen become heroin addicts.

The internal security of our country is also involved when the possibility of drug addiction or drug use becomes, for the first time, a serious factor in screening employees for sensitive positions in government or industry.

Also of interest from an internal security standpoint is the heavy overlapping between the propagation of the drug culture in this

country and the new left radicals, committed to the violent overthrow of our institutions.

Preliminary evidence available to the subcommittee points to the probability that leftist elements and leftist guerrillas in Latin America have been involved in smuggling cocaine and other drugs into the United States for the purpose of financing their activities. This will be the subject of a later hearing to be conducted by the subcommittee.

There are other areas, too, in which the drug problem impinges directly on the internal security of our country and this, I believe, will clearly emerge in the course of our further testimony.

This was some of the thinking behind the subcommittee's decision to commission Gen. Lewis W. Walt to head up a subcommittee staff task force to look into the world drug situation. General Walt was selected for the assignment not only because he is one of our most outstanding officers and most distinguished citizens, but also more importantly, because his personal experience and his interests preeminently qualify him for the assignment.

As allied commander in the northern corps area in South Vietnam during 1967 and 1968, General Walt saw the beginnings of the marihuana epidemic; and as Assistant Commandant of the Marine Corps from 1968 to 1971 he closely followed the development of the heroin epidemic which hit our Armed Forces in Vietnam immediately after our Cambodian incursion in 1970.

When General Walt retired from the Marine Corps a year and a half ago, he became the director of the U.S. Marine Youth Foundation. In this capacity he traveled around the country meeting with thousands of students at college and high school levels. As a result of this exposure, General Walt became aware of the terrible inroads that the drug epidemic was making among the youth of our country. He decided to study the problem and to do something about it.

At this point there began a contact between General Walt and the Senate Subcommittee on Internal Security. When the subcommittee asked General Walt to head up the investigation which it had been contemplating, General Walt replied with an enthusiastic "yes."

General Walt, I know how busy you are and I know how much of your time this investigation has already taken. On behalf of the subcommittee, I want to tell you how grateful we are for your efforts and how honored we were that you agreed to accept the assignment.

(The following statement by Senator Gurney was ordered inserted at this point in the record.)

STATEMENT OF SENATOR EDWARD J. GURNEY

Surely one of the most discouraging aspects of the Vietnam War has been the fact that so many of our fine young men serving there have been subjected to, and hooked by, hard drugs, narcotics, heroin and the like. To have young, potentially outstanding, lives ruined by drug addiction is nothing short of criminal and the quicker we do something about it, the better.

The problem, however, stretches beyond the borders of Vietnam. As our soldiers have come home, so have the hard drugs—although not to the extent that some people would believe. It is my understanding that only 15 percent or so of the heroin in the United States comes from Southeast Asia, since most of what the area produces is consumed there. However, 15 percent is too much and we have to do something about it—and the Communist, criminal and corrupt elements that are profiting from it.

We are fortunate today to have a man with us—General Lewis Walt—who, by virtue of his command experience in Vietnam, is intimately acquainted with the

problem. I know that he will help weed out some of the chaff that has clouded these facts surrounding the drug traffic from Southeast Asia.

We also have with us another witness, Mr. John Ingersoll of the Bureau of Narcotics and Dangerous Drugs, who can help clear up one specific red herring we have heard about lately. I am referring, of course, to the charges made by Columnist Jack Anderson that some 27 tons of opium destroyed by the Government of Thailand, were in his words "cheap fodder."

Now, in the light of Mr. Anderson's recent track record for reporting, you will pardon me if I remain a bit skeptical. Mr. Anderson wasn't able to convince many people that Attorney General Richard Kleindienst was guilty of wrongdoing in the ITT matter and he convinced no one that his charges concerning Senator Eagleton were accurate. In fact he was forced to admit that these charges were totally without foundation. So, I think we would do well to listen very carefully to what Mr. Ingersoll has to say. And if we, as I believe, find another case of Anderson journalistic inaccuracy, I think we should point it out to the American people at the same time we put across the true facts concerning the drug traffic from Southeast Asia.

Mr. Chairman, this is too important a matter for journalistic sensationalism. Young people's lives are at stake and the quicker we crack this insidious drug traffic, the better.

The CHAIRMAN. Will you proceed, General Walt.

STATEMENT OF GEN. LEWIS W. WALT, U.S. MARINE CORPS (RETIRED), ACCOMPANIED BY DAVID MARTIN, SENIOR ANALYST, SENATE INTERNAL SECURITY SUBCOMMITTEE, AND H. WAYNE GILLIES, SPECIAL COUNSEL TO THE SUBCOMMITTEE

General WALT. Thank you very much, Mr. Chairman.

I was greatly honored when your subcommittee commissioned me to head up a task force to look into the world drug situation and I am grateful for this opportunity to testify before your Subcommittee on Internal Security on certain of our findings, relating specifically to the situation in Southeast Asia.

Although I was involved in other activities at the time I received the invitation, I decided to accept because of my conviction that the drug problem was one of the most critical problems confronting our Nation today. I don't think that President Nixon exaggerated one iota when he told Congress last June that, and I quote, "The problem has assumed the dimensions of a national emergency. * * * If we cannot destroy the drug menace in America, then it surely will, in time, destroy us."

I thank the chairman for his remarks about my qualifications and my experience. It was as a result of this experience that I became convinced sometime ago that there was no more important purpose to which I could devote my time and energies than combating this deadly menace to our country.

This is the reason why, Mr. Chairman, I accepted your invitation without hesitation.

I was assisted in my investigation by Mr. David Martin, senior analyst for the Senate Internal Security Subcommittee, and Mr. H. Wayne Gillies, a prominent Houston lawyer.

In the course of our investigation, we visited 15 countries. In the Far East we visited Japan, South Korea, Taiwan and Hong Kong. In Southeast Asia we visited South Vietnam, Thailand and Laos. In addition, a member of my team spent several days in Hawaii and Okinawa. In Middle Asia we visited India, Afghanistan, Pakistan,

Iran and Turkey. After that we wound up our tour with visits to France, Germany and Mexico.

We brought back with us many hundreds of pages of notes and scores of documents, some of which we are still digesting. As I have already advised you, I shall be prepared to submit a complete report to the subcommittee covering all of our findings and recommendations by the first week in September.

It is my understanding that you have asked me to present our findings on Southeast Asia before today's session of the subcommittee because there have been conflicting reports about the situation in that part of the world and because there is an intense congressional interest.

According to some accounts which have appeared in the press and on TV documentaries, the large-scale opium traffic in Southeast Asia has been made possible only because governments which are supposed to be friendly to us have failed to cooperate with us in combating the traffic and because top governmental officials in these countries have themselves been involved in the traffic. These were the allegations.

The administration has replied that these reports are false and exaggerated, that we are today receiving excellent cooperation from the governments in Southeast Asia, and that remarkable progress is being made.

Where does the truth lie?

It is obvious from a reading of the Congressional Record that many Congressmen have been disposed to believe the critics because in certain cases the critics have been able to allude to confidential official documents that appear to be highly critical of the Southeast Asian governments. I may say that I myself had read so many critical articles prior to my departure that I, too, was disposed to be skeptical, if not critical, before I embarked on this trip around the world. However, I came away with a final impression that was sharply opposed to my preconceptions.

First, Mr. Chairman, I should like to reply specifically to a statement that appeared in the New York Times of July 24, because it has been widely quoted and reproduced and has obviously had considerable impact. The article quoted the following paragraph from what it described as a "cabinet level report": I quote:

There is no prospect of suppressing air and sea traffic of narcotics in Southeast Asia under current conditions or under any conditions that can realistically be projected. This is so because the governments in the region are unable and, in some cases, unwilling to do those things that would have to be done by them—and cannot be done by the United States—if a truly effective effort were to be made.

I have been given a copy of the so-called cabinet level report and here are my comments on it, sir.

First, let me say it is a great temptation for any newspaperman to quote from any classified document he happens to get access to. This is supposed to give him a scoop; and there are many people who believe that the mere fact that a document is classified constitutes proof that the statements made in it are accurate. But from many, many years of experience in the assessment of intelligence, I know how misleading a single document or a single quotation from a classified document can be.

Those who have had the same experience I have had, would, I believe, agree with the following general observations:

(1) Honest and conscientious men looking at the same situation can come up with substantially different assessments.

(2) The classified files on any complex situation, therefore, will inevitably contain reports that differ significantly on details and even on fundamentals.

(3) Intelligence files will frequently also contain what we call raw intelligence; that is, reports that have come in from a variety of sources which may or may not be true, and which have to be substantiated before they can be considered hard intelligence.

(4) Those who have the responsibility of decision must weigh their intelligence files or their report files in aggregate, assiduously distinguishing between raw intelligence and hard intelligence.

(5) Reports that are 6 months to a year old must never by themselves be used as a guide to the current situation, even though their validity at the time may have been generally accepted. Situations can change radically in 6 months or even less.

(6) Reports, including task force reports, will vary tremendously in quality. Some are outstanding; some are mediocre; some simply crumble before the test of time; some turn out to be odd mixtures of valid findings and of findings that miss the mark completely. Each report and each section of each report, therefore, requires careful evaluation.

In reading the report in question, I found several statements which are hardly in harmony with the paragraph quoted.

There was, for example, an entire paragraph devoted to the remarkable progress in Laos, while, on the subject of Thai trawlers, the report said, "For a number of reasons the suppression of illicit traffic by Thai trawlers appears both feasible and highly rewarding; it should clearly command highest priority."

The report to which the New York Times article referred was dated February; the team was in Vietnam in January. Their findings were based on the situation that existed during the previous 6 months to 1 year's time. So I am not challenging gospel when I tell you that my own assessment of the situation in Southeast Asia today differs radically from the quotation reprinted in the New York Times article.

Let me first give you a general statement of my findings and then I shall proceed to deal with the situation on a country-by-country basis.

Mr. Chairman, I would welcome questions at any time during my presentation, sir.

I will not tell you that all is well in Southeast Asia and that we have nothing more to worry about as far as the opium traffic in the area is concerned. The problem remains a formidable one and there are still many weaknesses to be overcome.

To the criminal element, the gigantic profits to be had from the opium trade constitute an almost irresistible enticement. For example, sir, a kilo of opium grown in Turkey, if it is sold to the government, a farmer gets \$15 for it. If it is sold illicitly he gets probably \$30 for it. Now, by the time that kilo of opium is changed into heroin and sold on the streets in New York, it is worth almost \$40,000—so you see the people in between, who are getting it here and selling it, are making a lot of money.

Mr. SOURWINE. General, can you give us an idea of the size of a kilo?

General WALT. A kilo is 2 $\frac{1}{10}$ pounds.

Mr. SOURWINE. But in opium, what is the size of it?

General WALT. In morphine it is about the size of a building brick. I hoped to have a morphine brick here this morning but I don't have it; it has not been brought in yet. It may be brought in later. It is just about the size of a building brick.

The traffickers are enterprising and highly organized and it is to be anticipated that they will move to sophisticate their procedures in an effort to circumvent the stepped-up security measures of the Southeast Asian governments.

The Governments of Thailand, Laos, and Vietnam are relatively new to the business of narcotics control and they suffer from a lack of specially trained customs and police officials and of logistical, communications, and technological equipment. These weaknesses we are seeking to overcome through special training programs and advisory missions and through special equipment supply programs.

Some allowance must also be made for the political and social problems that have delayed regional action on the drug problem, including the fact that the Governments of South Vietnam and Laos have been fighting desperate and costly wars against the North Vietnamese invaders while the Government of Thailand has been having increasing difficulty with the Communist insurgency in its border areas.

Corruption throughout Asia is more widespread possibly than it is here in our country and this is a problem, too, that will have to be overcome or reduced to more acceptable dimensions.

But, acknowledging the dangers and the weaknesses, I still believe there is much reason for hope in Southeast Asia. There is movement there and momentum, and this momentum is in the right direction.

As the Senators know, our own Bureau of Narcotics and Dangerous Drugs maintains missions in Vietnam, Laos, Thailand, and in many other countries. We tend to take the existence of these missions for granted. Actually, the mere fact of their existence is of profound significance because it bespeaks an extraordinary degree of cooperation between their governments and ours. There is no precedent in history for an arrangement between two governments under which government A gives government B the right to station law enforcement representatives on its territory, who operate their own intelligence system and their own network of informers, offering rewards for information in a more or less public manner. About the only power they lack is the power of arrest—and here I would observe that our own BNDD men are frequently invited to accompany law enforcement squads in other countries, in an observer capacity, in raids on traffickers and laboratories.

The implications of this arrangement go far beyond permitting American BNDD officers to operate on their territory. Every government that commits itself this far automatically incurs an obligation to cooperate with us in the field of narcotics intelligence and to take action on any hard intelligence which we pass on to them.

At the very least, this degree of cooperation must be considered pretty solid proof of good faith. It would be impressive standing by itself; but there are many other evidences of good faith.

For example, both the Thai Government and the Laotian Government have agreed in principle to special aerial photographic reconnaissance of their territory so that we will know, and they will know,

precisely where the opium is being grown, and approximately how much is being grown. It is my understanding that the first systematic reconnaissance flights will probably be made in December of this year and January of next year, when the next opium crop matures and when the poppy field will have maximum visibility.

What the critics say is not completely untrue but, by and large, their criticism and the documents they quote in support of their criticism have to do with a situation that existed a year or so ago. Over the past year, however, the situation in Vietnam, Laos, and Thailand has changed radically. It would be no exaggeration to say that all three governments in this period have made the quantum jump from an indifferent or, at the best, an unmotivated attitude toward the war on drugs, to the status of allies with the United States in this war.

These are my basic observations on the situation in Southeast Asia.

Now let me set forth some essential background history and some of the facts about the situation in general, because the problem of drugs in Southeast Asia can only be understood within the context of the world drug problem. It is—I want to observe at the outset—an enormously complex situation and one that defies simplistic definition and simplistic approaches.

Mr. Chairman, so that you will have a clearer picture of what we are talking about, I have had the Bureau of Narcotics and Dangerous Drugs bring here under escort some samples of raw opium, and a packet of No. 4 heroin.

Mr. Chairman, here is an example of raw opium in the small bottle. This is what is inside the package. We can't undo the package but this shows you what is inside the package.

This is a simulated morphine brick here—we couldn't get the actual brick this morning—but this is a simulated brick. It has "999" on it. That "999" is on every brick of morphine that comes out of Southeast Asia. It does not mean any specific manufacturer; it is just an identifying mark on a brick of morphine base.

Senator THURMOND. General, morphine, as I understand it, that would be in a liquid form when it would be sold for export; is that right?

General WALT. No, sir; it will be in this form here.

Senator THURMOND. Is that the form it is in when accepted for export?

General WALT. Yes, sir; it is the solid one.

Senator THURMOND. How is it converted or how is it processed after that?

General WALT. Well, sir, this is processed from the raw opium, of course. This is the morphine base form here.

Senator THURMOND. Is that the form in which the consumer uses it?

General WALT. No, sir. Well, some smokers do, but the thing that we are concerned about is the heroin, and this brick of morphine base is taken and refined into heroin through a chemical process. The heroin comes out as a powder and it is packaged in this manner; and this is the dangerous drug—I mean, this is the death-dealing drug—that we are worried about today here in this country.

Senator THURMOND. So the opium that you referred to, is that somewhat like hay compressed, the opium, the bar you had?

General WALT. The opium is a gum-type texture when it is scraped off the poppy pod.

Senator THURMOND. The one he is holding right there, is that the way it grows or it is processed, or is that a powder compressed together, or is it the way that nature produces it, or just what is it?

General WALT. Senator Thurmond, they get that off the poppy pod. The pod when it becomes dried is split manually—little slits on the pod—and during the next few hours the excretion comes out of that pod and dries to a gooey substance—not hardened goo but it gets thick—sticky stuff—and it is in a dark brown form as you see in that bottle there, sir, and that is scraped off and collected. It is a very long, tedious process and takes a heck of a lot of work by a lot of people in order to get the raw opium but, of course, the results are such that when they sell it and get the profit they are well rewarded.

But getting the heroin from the opium takes two chemical processes: first into morphine base and then into heroin.

The first process is relatively simple and it takes a minimum of equipment and not expensive equipment.

The second process—going from the morphine base into the heroin—is a much more complicated process and it takes a really capable scientist-chemist in order to do this.

Senator THURMOND. So you have those two steps?

General WALT. Yes, sir.

Senator THURMOND. You go from the opium to the morphine?

General WALT. Yes, sir.

Senator THURMOND. And then you go from the morphine to the heroin?

General WALT. Yes, sir.

Senator THURMOND. What you hold up there—that white package—is the heroin itself?

General WALT. This is the way it is packaged. This is not heroin. This is flour. This would be worth a lot of money if it were heroin.

Senator THURMOND. What is that?

General WALT. This is flour. That is the way heroin looks; it is packaged in plastic.

Senator THURMOND. And then it is—

The CHAIRMAN. What is this, morphine?

General WALT. That is a simulated brick of morphine base, sir, one-quarter size the regular brick.

The CHAIRMAN. And this is smoking opium?

General WALT. That is your morphine base. That is the smoking opium, the same as in this package here, yes, sir.

Mr. SOURWINE. If that simulated package of heroin were actually heroin, what would it be worth on the New York market, do you know?

General WALT. About \$150,000, I believe, between \$150,000 and \$200,000; that is just one-half of a kilo— $1\frac{1}{10}$ pounds. I might be off a little bit.

From 10 pounds of opium—raw opium—you will get approximately 1 pound of morphine base; and then, when the morphine base of 1 pound is changed into heroin through a chemical process, you get approximately 1 pound of heroin from a pound of morphine base.

Senator GURNEY. How much heroin would you get out of the substance you have in your brown-red wrapped package there?

General WALT. That is your morphine base ; this is raw opium here—1 kilo—2 $\frac{1}{10}$ pounds. Now, that would be—if you break that down to a morphine base—it would be one-tenth of that weight, approximately, of morphine base, or of heroin, either one.

Senator THURMOND. When the user uses the heroin, is it in a liquid or a solid form ?

General WALT. It is in a solid form, sir. This is a one-half gram vial of heroin here. It is in a powder—light, powdery. Pure heroin is white ; No. 3 heroin is a brownish-gray color. But this pure heroin is the one that is the dangerous drug and the one that our addicts are using in the country today.

For a bag this size—one-half kilogram—they will pay anywhere from \$150,000 to \$200,000 on the streets of New York.

Senator THURMOND. How long does that last a user ?

General WALT. Twenty-five doses in this small bottle here, half a gram ; that would be about 5 days' supply for one man.

Senator THURMOND. Five days' supply ?

General WALT. Yes sir, I have already answered some of these questions, if I may go on with my script.

The CHAIRMAN. Proceed, sir.

General WALT. I showed you a sample of what raw opium looks like, it is collected painstakingly from poppy plants by slitting the pods after the petals have fallen off and then scraping from the pods the resin-like substance exuded through the incision. Opium in this form is smoked by millions of people throughout the Far East and Central Asia and, while it is addictive, it is nowhere near as deadly as morphine and heroin itself.

This next sample is a $\frac{1}{4}$ size facsimile of a brick of morphine base. A real morphine brick weighs 1 kilo, or 2.2 pounds. The "999" marking on the brick does not mean that it is produced by a specific manufacturer. All morphine base produced in Southeast Asia bears the "999" marking. The quality of opium, incidentally, is determined by its morphine content. Turkish opium rates tops with a morphine content of 14 percent. Southeast Asian opium hovers around the 10-percent mark.

Morphine base is produced from raw opium by a relatively simple process which requires only slaked lime, ammonium chloride, and inexpensive laboratory equipment. So it is pretty easy to get the opium down to a morphine base component. It takes 10 pounds of opium to make 1 pound of morphine base. Because it greatly simplifies the problem of transportation, the raw opium is generally, but not always, converted into morphine base before it is transported, particularly through the underground trade routes.

This brick is just one-fourth the size of a real brick and it would sell, by the way, for about \$450 in the Far East. But the brick would be four times the size you have there.

At American wholesale prices, the heroin derived from such a brick would be worth approximately \$22,000 to \$27,000 wholesale. At current New York street prices, a single "999" brick, as it is called, converted into heroin, would be worth approximately \$360,000 to \$390,000.

Even more staggering than the figure for the street value of the heroin contained in this brick is the fact that this one brick contains the equivalent of 50,000 injections—enough to make 1,000 addicts—

Mr. SOURWINE. General, if I understand you correctly, you are telling us that about \$25,000 worth, at wholesale, of heroin, when it is cut and peddled sells for up to \$390,000?

General WALT. That is correct, sir.

The CHAIRMAN. We will recess now—there is a rollcall vote—and come back immediately after that.

(After a brief recess the hearing resumed.)

The CHAIRMAN. General, proceed.

General WALT. Thank you, Mr. Chairman.

Sir, here is a plastic bag containing approximately 1 kilo. This is not heroin: this is flour, but it looks like heroin in the bag.

No. 4 heroin is pure white, as shown here. This heroin has a fluffy consistency something like Ivory Soap Flakes, actually. The heroin that was sold and is still being sold—the white heroin—is 95- to 97-percent pure. A recent seizure in Taiwan ran 99-percent pure. One gram of this pure heroin is enough to make 50 or more injections sold by the street pushers to our city addicts, because our street heroin is generally diluted or adulterated to the 10-percent mark or less.

To give you an idea of how much one gram is, I have here a one-half gram vial which I will pass up to you, sir. That vial was bought on the streets of Saigon.

Mr. Chairman, I have a few pages here on the history of narcotics which I think are important but for the purpose of brevity I would like to skip them and go on with the matters we found out in Southeast Asia. I ask that they be printed as though read.

Opium is the Dr. Jekyll and Mr. Hyde of the botanical world. It is on the one hand a plant with many beneficent uses. The seeds can be eaten or they can be crushed for oil, leaving a residue that is used for cattle feed. The heavy straw of the stalks is suitable for weaving and light basket work; and no substitute has yet been found for it in many of its medical uses.

In the time of the Greeks and the Romans, opium was already used for coughs and diarrhea, for the control of pain and to induce sleep. To this day in the form of codeine and morphine it is still used for much the same purposes.

It has played a prominent and honored role in American medicine since the earliest days of our country. Dr. Benjamin Rush of Philadelphia, one of the signers of the Declaration of Independence, recommended the use of opium in the treatment of typhus and other fevers. He said that he "observed the happiest effects from it in the fevers of the military hospitals of the United States during the late war."

On the other hand, opium is an almost fatally seductive drug because it has the power to relieve anxiety, tension, and personal miseries, as well as physical pain. Because of this it has through the centuries been used as a drug of indulgence, mostly by people of middle age seeking relief from the anxieties and pains and miseries of their encroaching years.

During the 19th century its use was widespread among the educated classes. Among the many famous men who found comfort in it were Edgar Allen Poe; the English poet, Samuel Coleridge; the Russian composer, Modeste Mussorgsky; and, of course, Thomas DeQuincey, the author of the classic work, "Confessions of an English Opium Eater."

The tolerance with which opium was viewed until the end of the 19th century is apparent from the fact that so universal a literary hero as Sherlock Holmes—champion of justice and arch foe of the criminal world—injected himself with opium.

It was only toward the turn of the century that doctors began to understand the appalling dangers of opium addiction. But their understanding was very imperfect. For example, when heroin was first developed in 1898 it was considered nonaddictive and was widely used as an antidote for morphine addiction.

The legal approach to opium and opiates lagged a decade or more behind advances in medical understanding. It was 1909 before we had a Federal law prohibiting the importation of opium for other than medical purposes. It was 1914 before Congress passed the Harrison Act. As late as 1923 opium and heroin were dispensed at many free clinics throughout the country in a misguided approach to the problem of addiction.

This history is something that we have to recall in trying to understand why some countries seem slow to apprehend the danger. It may be asking too much to expect the peoples of the developing countries to display precisely the same degree of awareness and concern over the problem in 1972 as we do from the vantage point of 100 years of experience and accumulated knowledge.

By the nature of things, their understanding lags behind our own. In most of the developing countries, moreover, the problem of heroin addiction is of very limited magnitude, and since every developing country has its own set of priorities, it is difficult for them to get quite as motivated about the war on heroin as we are in the United States.

Before they can really get motivated, something has to happen to persuade them that the problem is not only an American problem, it is their problem, too. This, I might add, is true even of the more advanced and sophisticated countries. The French Government, for example, appeared to be sadly unmotivated about the war on heroin until just over a year ago. Then, over a short period of time, a number of young Frenchmen belonging to prominent families died of heroin overdoses. The headline stories had an electric shock effect on the French. Suddenly they realized that there was a growing problem of heroin addiction in France and that the number of addicts might already exceed the 25,000 mark.

At the point where they realized that the problem of heroin addiction was as much their problem as it is ours, the attitude of the French Government changed dramatically. Today they are among the most vigorous collaborators in the international war against the merchants of heroin.

Opium and heroin are world problems and I consider it one of the most hopeful signs for the future that our friends in Europe and Asia are rapidly coming around to the realization of this central fact.

Opium is widely grown for its medicinal uses. The licit production is in every case bought up by governmental monopolies which then sell it, under carefully controlled conditions, to the international pharmaceutical houses. In 1971 world production and consumption of opium for medicinal purposes, not including the People's Republic of China and North Vietnam for which there are no figures, was estimated at

approximately 1,500 tons. India, the major licit producer, harvested 943 tons, almost all of which was exported. The Soviet Union produced 200 tons. Turkey produced 150 tons, Iran 156 tons and other countries produced minor quantities, perhaps totaling 20 tons.

The United States uses approximately 200 tons of opium a year for medicinal purposes, and Western European countries use amounts which are roughly proportionate to this.

The CHAIRMAN. About how much illicit heroin comes into this country?

General WALT. I didn't understand the question, sir.

The CHAIRMAN. About how much illicit heroin comes into the United States?

General WALT. Between 150 and 200 tons per year that we know about.*

The CHAIRMAN. How does it come in?

General WALT. It comes in several ways that we know of—of course, on surface vessels through ports, from Mexico, from Canada, from through-air transportation. We have apprehended some of it. They use every kind of means of transportation to get into this country.

The CHAIRMAN. The Mexican Government is cooperating with this Government to stop it, is it not?

General WALT. Yes, sir.

The CHAIRMAN. How does heroin or opium get to Marseilles?

General WALT. It gets there primarily through surface vessels and truck transport, they believe.

The CHAIRMAN. From where?

General WALT. A small amount of it comes from Southeast Asia, but most of it comes from Turkey, through the Balkan countries, through northern Europe, down through Germany into France.

The CHAIRMAN. But those countries cooperate?

General WALT. They are cooperating, sir. We still have a long way to go before we are able to stop a majority of this stuff, but in virtually every country we visited we found no lack of cooperation. We found some of them need a lot of help and in my report next month, sir, where I give you my final report on the heroin situation, I will deal with each country individually and tell you what we found out, what the degree of cooperation is and what is being done.

The CHAIRMAN. Isn't there such a thing as an "opium trail"?

General WALT. They have a "hashish trail" starting in northern Europe, sir, and down into Afghanistan, Nepal, and India. It is commonly known as the hashish trail. This is where a lot of our young hippies—not only ours but the European hippies—travel and concentrate. We were at Kabul, Afghanistan—I include that in my report—and we saw hundreds of the hippie types over there from France, Germany, America, Spain. Wherever you went, they were there, and most of them drug addicted; they are using hashish that costs them 40 to 60 cents a day to furnish their drug requirements up there, which is the reason they are there. It has the effect on them, of course, of causing them to lose appetite, and they spend their money for drugs instead of food, and these kids, many of them, are just skin and bones and as a

*Note that on p. 35 of his testimony, General Walt clarified this statement by pointing out that he was referring here to the opium equivalent of the amount of heroin coming into the United States. Since it takes 10 pounds of opium to get 1 pound of heroin, 150 tons of opium would translate into 15 tons of heroin.

result of it many of them, I was told, get diseases. They don't have any physical resistance—they let themselves get run down and get diseases and some of them die as a result of it.

The CHAIRMAN. What do they do with their passports when they get broke?

General WALT. Well, sir, we know that they come into the embassy up there and say they have lost their passports. But there is pretty good evidence—and this is something else we are checking into and we will give you a further report on that—these young people, are selling their passports for as much as \$100 in order to satisfy their drug addiction requirements.

The CHAIRMAN. Proceed.

General WALT. Thank you. Coming back to the question of licit consumption, the Soviet Union uses some 400 tons a year, so that it had to import 200 tons last year to meet its domestic needs. The much greater proportionate use in the Soviet Union is due to the fact that the Western countries use synthetics for the control of severe pain, whereas the Soviet Union and all other Communist countries prefer to use the opiates to control pain. Why this is so I have not been able to find out.

There is a very wide range of estimates on production of opium for medicinal purposes in mainland China and North Vietnam. The lowest estimate I have come across for China is 100 tons annually. On the other hand, it has been pointed out that if China uses the same amount pro rata as the United States for medicinal purposes, its licit production would have to exceed 800 tons a year; while if it uses the same amount pro rata as the Soviet Union, its licit production would approximate 1,600 tons a year. The figure, in any case, is substantial. Whatever it is, it would have to be added to the estimate of 1,500 tons already cited in order to arrive at an aggregate estimate of world consumption of opium for medicinal purposes.

The same observations hold true for North Vietnam.

World production and consumption of opium for illicit purposes, that is, for nonmedicinal purposes, is estimated at roughly 1,200 tons a year. This, it must be emphasized, is a very rough figure which may be off by a factor of as much as 50 percent.

Some of the illicit opium simply represents a diversion from licit cultivation. This is the case in Turkey, which is the chief source of the heroin now coming to the United States. Even in India, whose careful controls over its opium agriculture have been highly praised by the United Nations, governmental officials will admit in confidence that probably as much as 10 percent of their total production enters the illicit market. But in Burma, Thailand, Afghanistan, Mexico, and other countries opium is grown in violation of laws which, for one reason or another, are difficult to enforce.

By far the bulk of the illicit opium is consumed either by the cultivators or by addicts and users in nearby areas. The so-called Golden Triangle of Southeast Asia, an area which 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 is either consumed by the tribesmen who grow it or else consumed by the large colonies of opium users which are to be found in the urban centers throughout Southeast Asia. Hong Kong alone is said to have an addict and user population in excess of 150,000.

This map, which I hope we are going to show you in a minute, depicts the major opium growing areas in the Golden Triangle. Of the total production of the area—Mr. Chairman, we took a whole day and went up to the Golden Triangle—we couldn't fly over Burma because of restrictions; we did fly at low altitude over Laos and northern Thailand, a part of the Golden Triangle area, and we had a chance from the airplane to look over into Burma and to see the complex where they manufacture this heroin, large building complexes, just a matter of a few miles inside the Burmese border—of the total production of the area, Burma is credited with more than 400 tons, Thailand with 130 to 200 tons, and Laos somewhat less than the 100 tons—

Mr. MARTIN (pointing to map). The area marked here overlaps Thailand, Burma, and Laos, and extends a little bit into Yunnan, as you can see there—Burma is on the left top. Thailand at the bottom, Laos at the right, there.

General WALT. Point out the position of South Vietnam, will you?

Mr. GILLIES. Saigon is here, sir.

General WALT. I have used the expression the "Golden Triangle" because it has been used for many years, but I cannot help wondering, Mr. Chairman, whether it would not be more accurate to speak of the "Golden Quadrangle," in view of the fact that the contiguous province of Yunnan in China is the site of a very substantial opium agriculture. This is something that is conceded by everyone to whom we spoke. If China produces in excess of 800 tons of opium a year for medicinal purposes, Yunnan might conceivably be responsible for a production in excess of the combined production of Burma, Thailand, and Laos.

I want to make one point clear: The mere fact that Mainland China has a large-scale licit opium agriculture does not necessarily mean that China is involved in the illicit international market. But if we are trying to make some kind of estimate of the world opium situation, the starting point has to be an opium map of the world, which will tell us in a reasonably accurate manner where the stuff is being grown. I think it only confuses the situation and tends to arouse suspicion when we gloss over the fact that a lot of opium is grown in Yunnan Province.

I know the question is going to be asked, "Is any opium or heroin coming out of China?" On this question we received conflicting reports and assessments and I am frankly not prepared to offer an opinion until I have had more time to evaluate the material which we have, sir. I have two observations that I would like to offer, however.

I have seen all kinds of wild speculation on the subject, including reports that Mainland China is producing and exporting 10,000 tons of opium a year. This amount, of course, is nonsense—it is ridiculous. Even if there is opium coming out of China it could not possibly be on this scale. The authorities in charge of narcotics suppression have a pretty good idea of the number of addicts worldwide and of the average consumption of opium or heroin per addict. When they estimate the total illicit traffic at 1,200 to 1,500 tons, they are probably not very wide of the mark.

Since we know as a certainty that a lot of the opium entering the illicit market is grown in the "Golden Triangle," or in Turkey, Iran, Afghanistan, Pakistan, Mexico, and other countries, what China could do with 10,000 tons of opium, if she produced it, is a great mystery.

My second observation is that the Peking Government has itself to blame if there is suspicion and speculation in the Western World. Their

representative at the U.N. recently made a statement on narcotics control that had a very affirmative ring. It is to be hoped that Peking will add its signature to the 1961 Single Convention on Narcotics and join the broad community of nations which is now seeking to establish more effective international control of narcotics; but, meanwhile, it would help a lot to dispel suspicion if the Peking Government, like the governments of India, Iran, Turkey, and other countries which grow opium for licit purposes, were to file regular reports with the United Nations, stating just how much acreage they have under cultivation, where the acreage is located, what the estimated crop is in advance of the harvest, what the final harvest figures are and what control measures are taken to assure that the opium does not enter illicit channels.

Despite the fact that Southeast Asia, and Thailand in particular, have figured so prominently in the news and have been the object of accusations and denunciations, Southeast Asia at the present time is only a minor source of the heroin entering the United States. According to official estimates, Southeast Asian heroin accounts for no more than 10 to 15 percent of the total traffic coming into this country. But it is one of the most important opium growing areas in the world and it is the site of many processing laboratories, large and small; and, because of its potential, it is widely feared that Southeast Asia will become an increasingly important source of illicit opiates now that Turkey is phasing out legal production. These facts point to the need for continuous scrutiny and concerted preventive action.

The Southeast Asian drug situation must be dealt with on a regional basis. As I see it, there are five factors which contribute to the making of this situation:

The principal factor in the entire situation is the virtually total absence of any kind of governmental authority or machinery of control and repression in northern Burma, which is the heartland of the Southeast Asian drug situation.

The second most important factor is the criminal element in Southeast Asia, largely dominated by ethnic Chinese, operating in a Mafia-like manner through the old tongs, or Triad societies.

The third factor is the serious lack of experienced personnel and technological equipment, and of an established control apparatus which still hampers the efforts of the Southeast Asian governments.

The fourth factor, in my opinion, is the element of Communist involvement—in Laos, in Thailand, in Burma, and probably in Vietnam.

The fifth factor is corruption.

Looking at it from this standpoint, it is nonsense to suggest that the prime factor contributing to the drug problem in Southeast Asia is the existence of widespread governmental corruption.

Given the existence of the other four factors, there would still be a serious drug problem in Southeast Asia regardless of any corruption that might exist in any government.

There may be honest differences of opinion over whether corruption should be ranked ahead of the Communist factor or ahead of the lack of personnel and equipment. But I believe that no one can challenge the assertion that the Burma factor ranks first and the criminal factor ranks second in the Southeast Asian drug equation. Anyone who ignores these factors is simply not looking at the situation objectively or as a whole.

Now, sir, I would like to go to specifics on Burma.

The CHAIRMAN. Proceed.

General WALT. Our task force did not visit Burma for the simple reason that the Burmese Government does not permit foreigners to travel in the northern portion of the country where the opium poppies are grown, or in the triborder area where the refineries and traffickers operate. Our information is based, therefore, on conversations with people who have followed the situation closely and on access to a substantial documentation on the subject.

Let me expand on the statement that Burma is the heartland of the Southeast Asia drug problem. Burma produces by far the bulk of the opium exported from the so-called Golden Triangle.

The great majority of the refineries in Southeast Asia are located in Burma. This was so even before the recent crackdown in Laos and Thailand which obliged many of the refineries to relocate in Burma.

Burma is the prime sanctuary and base of operations for the major groups of traffickers. It is in Burma that the great opium caravans originate which are the ultimate source of 60 to 70 percent of the traffic coming out of Southeast Asia.

These facts are common knowledge, and anyone who talks about the situation in Southeastern Asia, damning Laos and Thailand but ignoring Burma, is simply not presenting a balanced picture.

I do not accuse the Government of Burma of engaging in the international drug traffic; I simply state it as a matter of fact that the Government of Burma has for years now been plagued with a whole series of insurgencies in its northern territories which have made it impossible for it to exercise effective governmental control in the area.

The Burmese Government is a military socialist dictatorship, in many respects as monolithic as the Communist dictatorships; but its governmental philosophy differs in a very essential aspect from the official Communist philosophy: the Burmese leaders look upon themselves as national socialists and do not feel driven by Marxist dogma to carry their form of socialism to the rest of the world.

Burma has not engaged in any subversive activities directed against any of its neighbors and does not constitute a threat to their security. It has carried its neutralism almost to the point of fanaticism, for many years rejecting almost any kind of aid from both East and West. In pursuing this course and in completely socializing their country, successive Burmese Governments have hoped that they could insure themselves against the danger of Communist subversion. These hopes, unfortunately, have been dashed by the course of events.

Ever since it achieved independence, the Burmese Government has been plagued with insurrectionary situations among its powerful Shan and Kachin minorities, seeking more autonomy or even independence. When the Chinese civil war came to an end in 1949, some thousands of Nationalist troops retreated into Burma from Yunnan Province and set up a military-political enclave which further added to the problem of control in the northern areas. Shortly thereafter, the Burmese Government had to contend with White Flag Communist guerrillas following the lead of Peking and the Burmese Communist Party, and Red Flag Communists of Trotskyist persuasion. And all of these miniature civil wars are still going on in that country to this day.

The cultivation of opium is theoretically illegal in Burma. In practice, it is cultivated and used as a prime means of support by almost all of the movements involved in the melange of nationalist insurgencies and Communist insurgencies and anti-Communist military groupings that make northern Burma perhaps the craziest political patchwork quilt in the world. This has been true of the Shans and Kachins, of the White Flag Communists and Red Flag Communists, of the Chinese irregular forces who are strongly anti-Communist and antigovernment, and of the so-called KKY, or Burmese Self-Defense Force, which is also anti-Communist but generally pro-government.

Here I want to make a remark in parentheses on the subject of the Chinese Irregular Forces—CIF. I have come across many articles which refer to these forces as Kuomintang or Chinese Nationalist, implying some kind of association with the Chiang Kai-shek government of Nationalist China. Such an association did exist at one time, but the Nationalist Government long ago repudiated the Chinese irregulars in Burma and Thailand and denounced them as renegades. In the interest of avoiding confusion, and in fairness, I think the current designation “Chinese Irregular Forces” is more accurate.

Most of the opium production in Burma, as you will see from this map, is concentrated in the Shan and Kachin States, along the Chinese frontier. The northern part of the Shan State above Lashio and east to the Chinese frontier has been the locus of the White Flag Communist insurgency which is a pro-Peking and Peking-backed group.

In the period from March to June, after the harvest but before the monsoons set in, the opium is transported to the Thai and Laotian frontiers either by trains or porters or by caravans of horses and mules. The caravans can be very elaborate undertakings.

That is a map of Burma. You can see the general location in northeastern Burma, and this is the area where foreigners cannot get into; it is an area controlled primarily by the tribal and political insurgents and it is definitely not under the control of the Burmese Government, and this is the center of the opium growing and the heroin manufacturing activity of Burma.

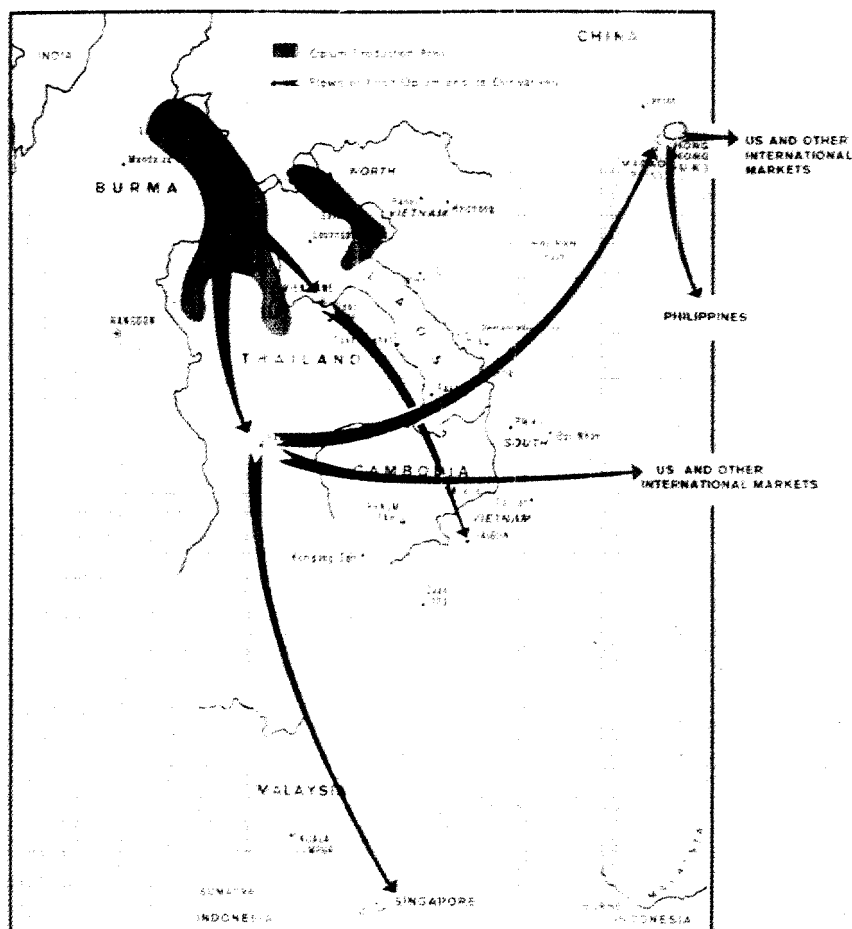
When it reaches the frontier area, the opium may be processed into morphine base or heroin in the three large refinery complexes in the Tachilek area, which is situated here, or at other refineries in the tri-border area which I spoke of earlier.

The CHAIRMAN. General, the maps will go into the record as exhibits?

General WALT. Yes, sir; they will be provided.

The CHAIRMAN. So ordered.

(The maps referred to follow :)



Opium production areas in Southeast Asia and the flow of illicit opium

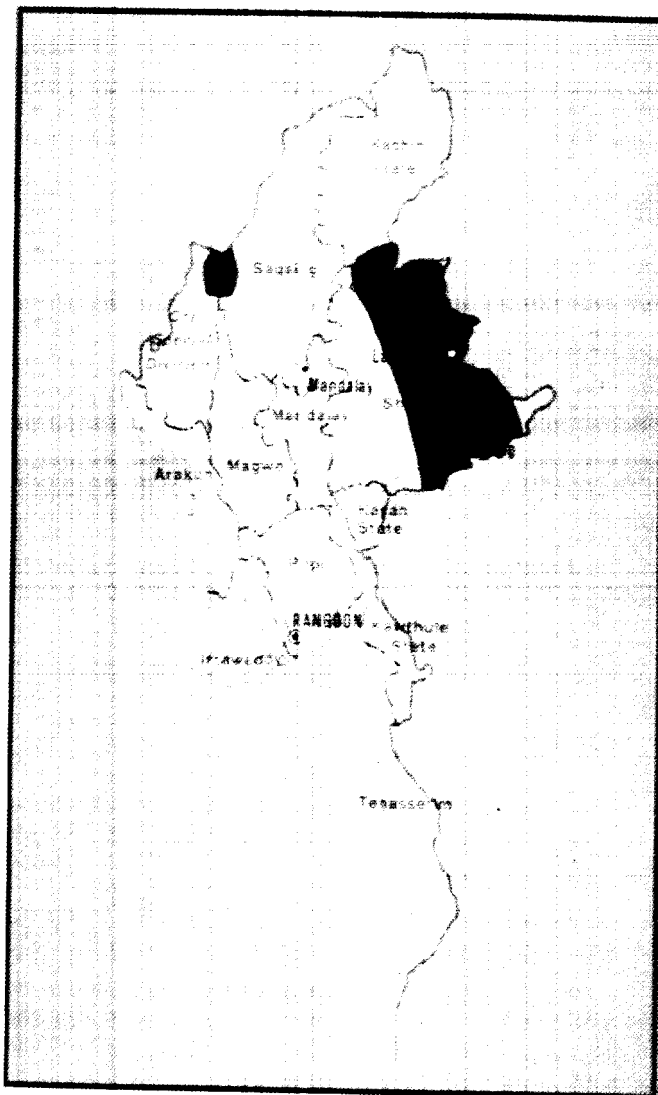
General WALT. As I said earlier, we saw from the aircraft the complexes in the Tachilek area which refine opium into morphine and heroin. This manufacture, of course, takes place before the heroin is moved on down toward the Thai border and the Laotian border.

Alternatively, the raw opium may be moved into Thailand by a variety of devious routes and then transhipped by trawler from Bangkok to Hong Kong, Singapore, and other points.

The KKY and the Chinese irregular forces, who operate sometimes in competition, sometimes in collusion, are supposed to conduct the major convoy operations, while the KKY is reported to be in control of the three large refinery complexes in the Tachilek area.

Burma is a signatory of the 1961 U.N. Single Convention on Narcotics. The government appears to be unhappy about what the opium trade in its northern provinces is doing to its reputation—it feels it is giving it a reputation as a nation incapable of controlling the

BURMA: Opium Poppy Growing Areas



opium growing. Every once in awhile it will take a small affirmative action; it will seize some opium or destroy a few poppyfields or put enough pressure on some of the refinery operators to induce them to relocate. But it fears to take more radical action against the growers and the traffickers because it is already having more trouble than it can handle with the current crop of nationalist and left-wing insurgencies. The result is that Burma remains an open conduit through which a constant flow of opium and morphine seeps through Thailand and Laos, in large quantities, into western Asia, while an already significant and growing flow of heroin seeps through them to America.

Because it is fearful of compromising its neutrality, the Burmese Government does not want to enter into any bilateral arrangement with the United States. This can be understood. But it may be carrying things a little bit too far when the Burmese Government even turns down an offer from us of logistical and communications equipment for a beefed-up anti-opium effort on their part.

These are facts which have to be kept in mind assessing the situation in Thailand and Laos.

Now, sir, I would like to go to the country of Laos. I want to deal next with this country because there has been a lot in the news about the opium traffic there.

Laos has accounted at the most for some 100 tons of the 700 tons, or 12 to 15 percent, of the opium produced annually in the Golden Triangle and it probably accounts for much less today. Most of this has been consumed locally, but a limited amount has gone into the export trade. Laos has had a much greater importance as a transit area for opium and morphine base coming from Burma and as the locus, until recently, of a number of heroin refineries.

In Laos, as in Thailand and Burma, the opium is grown by primitive hill tribes—in Laos primarily by the Meos and Yaos who have cultivated opium for generations. For them it represents their only cash crop and their only hedge against the possible failure of their rice crop. Their income from their plots of opium poppies may not run any more than \$60 to \$100 a year, but to a Meo family this is a very large amount which may make the difference between survival and starvation in a difficult year.

The opium is grown on mountain slopes at an approximate altitude of 3,000 feet, which seems best suited for its cultivation. As in Thailand and Burma, the tribesmen practice slash and burn agriculture. They clear an area on a hillside, burn the trees they have cut down, mulch the soil and then cultivate it for a number of years until it begins to show signs of exhaustion. Then they move on to another hillside or another area on that same hillside, and the process begins all over again.

Flying over northern Laos, I saw literally hundreds of clearings on the mountain slopes which had been devastated and then abandoned in this manner. In some parts of Laos the clearings occurred at such frequent intervals that it was as though an army of giant locusts had moved through the mountain jungles, pockmarking them with areas of total destruction. Needless to say, this is not good for the ecology of any country.

Here is a map which shows the major opium producing areas in Laos.

Mr. MARTIN. That red—the area with the red mark around it, to the right, at the top of Laos—Laos is the green country here—and the main opium growing area is up in the top righthand corner of Laos.

General WALT. Right up at the northern extreme of the Laotian territory. The area includes Phong Saly Province in the far north, Samneua Province in the northeast, and the Plaines des Jarres in Xiangkhoang Province. There was a time when these producing areas were divided more or less evenly between Meos under Pathet Lao, or Communist, influence, and Meos loyal to the Government in Vientiane. But as the Pathet Lao, with heavy North Vietnamese support, have extended their area of control, the anti-Communist Meos have been

forced out of their opium lands and onto the plains, so that today the opium growing areas of Laos are overwhelmingly under Communist control. The opium agriculture in these areas, like all other agriculture, is under the village management of Hanoi-trained cadres.

Mr. MARTIN. With regard to this map, it is a roughly made map. The diagonal streaks indicate the areas under Communist occupation, overlapping the opium growing areas. The only old opium growing area that is still not under Communist domination is that tiny little area at the bottom of the boot; that is about all that is left in government hands. About 90 percent of the opium-growing land is in Communist hands.

General WALT. In addition to the locally produced opium which was picked up from the hill people by ethnic Chinese entrepreneurs, horse and mule caravans brought large quantities of opium into Laos from Burma. The opium was moved to processing laboratories at Ban Houei Sai and other centers; then the opium, morphine, and heroin was moved out, generally by plane, to Thailand, Vietnam, and Hong Kong.

Why did the Laotian Government not move sooner to deal with the opium traffic in its country? There are several reasons that help to explain the lag, sir.

The first reason is that until recently the Laotian attitude toward opium was as tolerant as were Western attitudes 100 years ago. Opium was not a serious problem among the Laotian people and the heroin problem was nonexistent. There was no law against growing opium or merchandising it and no law against processing opium into morphine or heroin. And so, without violating any law, a handful of senior officers, including Gen. Ouan Rathikone, former commander of the Laotian Army, could line their own pockets by engaging in the opium trade. General Rathikone was retired from the Army last July.

Second, there was the Government's almost total preoccupation with the war that has ravaged their country for more than a decade now. Beginning as a domestic insurgency, this war has in recent years evolved into an open invasion by North Vietnam, involving as many as five divisions of the North Vietnamese Army at times. For a small country of 3 million people, the many scores of thousands of military and civilian casualties have had a devastating impact.

On top of this, the Government must cope with some 235,000 refugees who have fled from areas under Communist control. In the light of these facts, perhaps some allowance should be made for an attitude which accepted the war and the refugees as the Government's first priorities.

Third, there was the factor of corruption and vested interest. There can be no question that many well-placed people in Laos, both Laotian and ethnic Chinese, were making a good deal of money out of the opium business and doing it without violating any law.

With the major scandals that we have had in some of our metropolitan cities, reaching all the way up to police inspectors and judges, we are not exactly in the best position in the world to lecture other countries on corruption. But it is a fact that corruption tends to be far more widespread in low-income countries. When police inspectors and judges who make \$20,000 and \$25,000 a year succumb to temptation in our own country, we should not be surprised when their

counterparts in other countries who work for bare subsistence salaries, succumb in substantially greater numbers to the temptation of big money.

Fourth, there is the fact that opium in Laos did not become a problem that vitally affected American interests until the heroin epidemic hit the American forces in Vietnam during the summer of 1970. It took several months before we realized what was happening and it was getting on to mid-1971 before our war against the heroin epidemic in Vietnam went into high gear. It was about this time that we began to use our influence to persuade the governments of Southeast Asia to join us in more vigorous measures against the opium traffickers.

All governments tend to move with a certain time lag. On the whole, I believe that the Governments of Laos, Vietnam, and Thailand must be given credit for moving quickly and dramatically since we first raised the issue with them on a top priority basis.

Looking at the situation which existed a year ago in Laos, no one could be blamed for deciding that ingrained attitudes ran too deep to make any serious improvement possible. But then things began to happen.

The strength of the American reaction to the news of the heroin epidemic among our servicemen in Vietnam persuaded the Laotian leaders that they could no longer afford to remain indifferent or unmotivated if they wished to retain American support. And so, on November 15, 1971, the Laotian Legislature took the revolutionary step of passing a law banning the production, sale or use of opium. All of the Meo deputies, following the leadership of Gen. Vang Pao, voted affirmatively on this measure.

Even before the law was passed, the Laotian Government had acted to curtail refinery operations, destroying two refineries and seizing large quantities of drugs in the process.

Alarmed by the evidence of mounting governmental pressure, several additional refineries closed down or moved their operations to Burma. Today, according to responsible officials who follow the situation in Laos, on a day-to-day basis, there is no evidence to indicate that there is a single heroin lab currently active in the country of Laos.

While there are unquestionably some corrupt officials in the Laotian police force and the Laotian Armed Forces, everyone in the Embassy with whom I discussed the matter, was completely convinced of the sincerity and motivation of Prime Minister Souvanna Phouma and Gen. Vang Pao and of the key officials appointed to deal with the problem of opium suppression.

In Vientiane I was able to meet with a number of the Laotian officials now involved in their country's war against opium and the opium traffickers. Among them were His Royal Highness Tiao Mankhara Manivong, President of Narcotics Destruction; Mr. Chanthaboun Luangraj, Director General of National Police and President of the Subcommission for Repression of the Narcotics Traffic; and Mr. Nith Singharaj, president of the Interministerial Committee for Narcotics Control. I had a chat with each one of these gentlemen and I may say that my conversations with them completely bore out what we had heard from Ambassador Godley and his staff, and that is, that the Laotian Government is now animated by a completely new spirit

and that the officials assigned to deal with the problem have both a sophisticated understanding of it and the determination to really do something about it.

Despite the fact that they have had to build an anti-opium apparatus almost from scratch, and despite the demands of the war, the Laotian Government's anti-narcotics operation has drawn blood since the first of the year in the form of repeated seizures of small and large quantities of opium.

Their biggest haul to date was 89 kilos of opium—something over 200 pounds of opium. On June 14, when I was having lunch with Ambassador Godley in Ban Houei Sai on the Thai frontier, the report came in that the Lao police, acting on their own, had picked up another 12 kilos of opium in the nearby village of Ban Dan.

A recent report by the Embassy team contains language far more optimistic than any previous assessment of the situation in Laos. According to this report, the security measures instituted by the Laotian Government have surprised and discombobulated the traffickers so that there has been a dramatic reduction in the amount of traffic moving through Laos to other destinations. A direct result of the Government's drive has been a serious depression in the price of opium.

It is, of course, true that the Meo tribesmen whom we supported were opium cultivators, as were the Meo tribesmen on the Communist side. Virtually all Meos in both Thailand and Laos grow opium—because they have done so for generations, because they use it as a medicine and as an euphoric drug, because it is their one cash crop and because it can be stored against hard times.

Apart from declaring war on the Meos or forcibly uprooting them from their lands, there was no easy and immediate way of terminating opium cultivation by the Meos. An enduring solution would require resettling the Meos on a permanent basis, teaching them how to cultivate substitute crops, building roads, and providing transportation so that they could move these crops to market and giving them some kind of support during the period of transition. All of this is going to require a good deal of time and a good deal of money.

While there was much criticism of the fact that the Meos on our side were engaged in opium agriculture, I have thus far come across no criticism of the Pathet Lao and the North Vietnamese Communists for condoning and even encouraging the cultivation of opium by the Meo tribesmen under their control; nor have I seen any mention of the fact that General Vang Pao's Meos have largely discontinued the cultivation of opium, in the first place because of Vang Pao's crop substitution program going back a number of years; in the second place, because the Communist advance has forced them out of their traditional lands, which were suitable for poppy cultivation, onto the plains, which are not suitable for poppy farming. Nor have I seen the question raised as to the ultimate purpose and destination of the opium which the Meos under Pathet Lao control are known to be growing. Obviously, if they are growing opium, they are not consuming all of it; some of it must be sold somewhere.

To sum up, I would like to quote a statement that was made to us by one officer in our Embassy:

If you want to gage the progress that has been made here, you have to be in a position to compare how easy it was for the traffickers previously with how difficult it has now become for them.

I should also like to quote, in summing up, the paragraph on Laos from the so-called "cabinet-level report"—the same report from which the New York Times quoted a paragraph that appeared to be highly critical of the Southeast Asian governments. While there are some highly sensitive matters in the document, dealing with informers and technology, the paragraph on Laos contained nothing that in itself warranted classification and I have, therefore, been given express permission to read this paragraph to the subcommittee. I quote:

Surprisingly enough, the most effective antinarcotics program in the area seems to be in Laos. * * * Ambassador Godley first convinced Premier Souvanna Phouma of the great importance the United States Government attached to the antinarcotics program and made it clear that few things could hurt the cause of Laos more with the American Congress and people than anything less than a maximum effort against the illicit traffic. Souvanna was sufficiently impressed by the importance of the effort that he placed his intelligence chief, General Khamhou, in personal charge of the program. Khamhou, one of the most powerful men in Laos, had a clear charter from his chief and went to work with a real sense of personal dedication. He has been assisted by all appropriate parts of the U.S. mission. The overall antinarcotics effort in Laos appears to be making good progress; it is an example for other countries to follow.

This paragraph was never quoted by newsmen who had access to the document—the same as they had access to the paragraph that was quoted. I do not know why this is so, but from a number of experiences, I have the impression that when they quote from confidential documents, some newspapermen have a penchant for quoting the bad paragraphs and ignoring the good paragraphs.

I would like now, sir, to go to the country of Thailand.

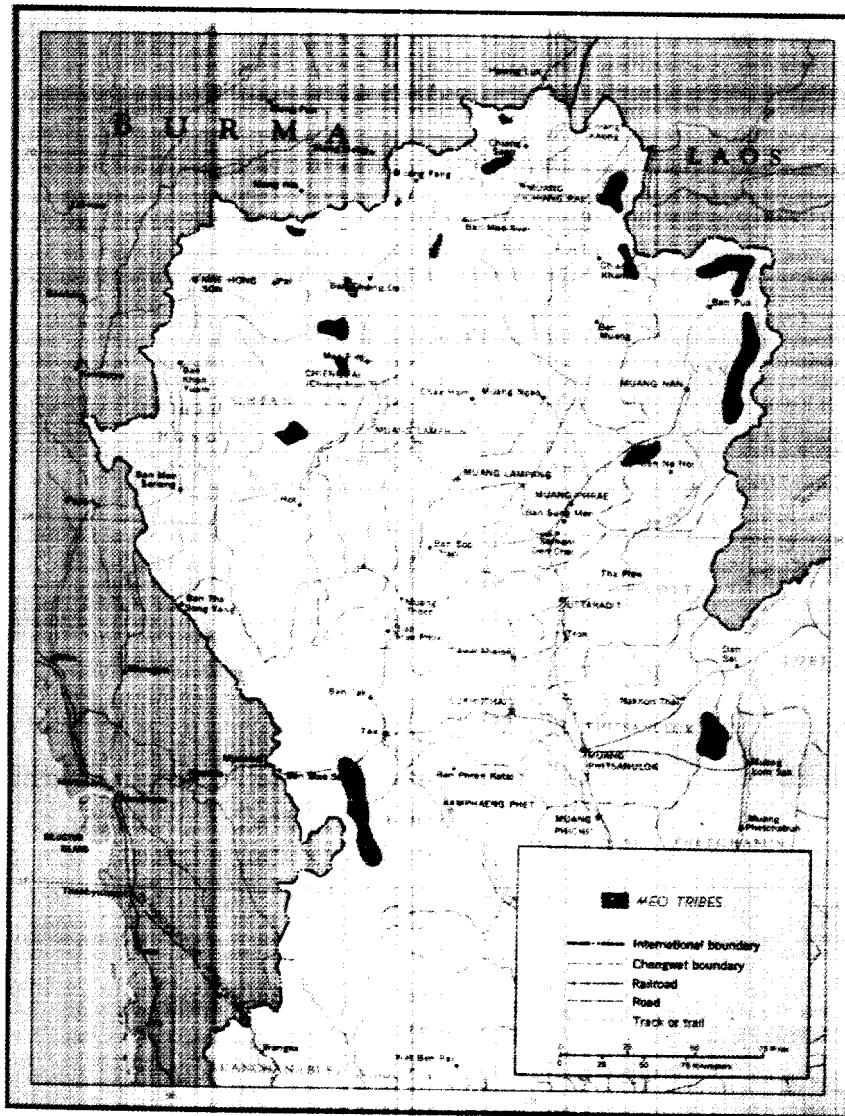
Thailand has come in for a tremendous amount of criticism in a recent spate of feature articles and TV documentaries.

My investigation has convinced me that while some of the criticisms may have had a measure of validity a year ago, there has been a dramatic improvement in the situation since that time, in particular over the past 8 months; and I hope that my testimony will help to update the information available to Congress so that Members of Congress, in making their assessments, will not have to rely on the data of a year ago.

Opium cultivation was made illegal in Thailand by a law passed on January 1, 1959; but, as we found out in our own country during prohibition, it is one thing to pass a law and another thing to be able to enforce it.

In Thailand the problem of enforcement was complicated by the fact that most of the opium is grown by primitive hill tribesmen—Meos, Yaos, Lahus, and others—who live in isolated settlements and move from hillside to hillside and who, like their cousins in Laos, rely on opium as their only cash crop and as their hedge against starvation in a bad year. The principal cultivators of the opium poppy are the Meo tribesmen. I show you here a map of the distribution of the Meo tribes in northern Thailand.

Mr. MARTIN. The green blobs are Meos.
(The map referred to follows:)



General WALT. You see, the Meo tribesmen are scattered all over the country. It is very rough terrain where they are; there are only trails—no roads—and it's very difficult to get into that part of the country.

The Thai Government has very little effective control over these people.

There is, of course, no firm figure on total production; the best estimates are, however, that Thailand produces between 130 and 200 tons of opium a year.

The Thai Government has for a number of years now been seeking to discourage opium production by the hill tribes; but, as everyone who has been out in the area realizes, this is going to be a complex problem and it is going to require time. The optimum solution would involve helping the opium-growing tribesmen to convert their temporary settlements into permanent settlements by building roads and schools and dispensaries, teaching them to grow substitute crops which can realistically be moved to market, and assisting them during the period of transition.

In recent years the Thai Government has been going about this problem with genuine motivation. Its motivation springs in part from a desire to cut down on opium production and traffic in Thailand, in response to international criticism; but there is another important element, an element of self-interest, to this motivation.

The slash-and-burn agriculture—as I pointed out in my remarks earlier on what is happening in Laos where they are destroying the wooded hillsides—does devastating things to the ecology of a country. When the tribesmen abandon their wornout poppy plots to move on to a new hillside, the soil is left pulverized so that with each heavy rain some of it washes down into the valley. The progressive stripping of the hillside jungles is destroying the watershed, raising water levels in the valleys beyond the point suitable for rice agriculture and silting up the dams 15 years sooner than scheduled. Thai agricultural experts are sold on the need for dramatic action and the Government itself is clearly very much concerned.

In December of last year the Thai Government signed an agreement with the U.N. Fund for Drug Abuse Control, a pioneering agreement of its kind, calling for joint planning, with U.N. support, for a project designed to eliminate opium production by the hill tribesmen through a program of village development and crop substitution. The government also set up a variety of special agencies to deal with various aspects of the drug problem in Thailand, including a special program for hill tribesmen under the patronage of the king and directed by the king's nephew, Prince Phisidet, a young man of dedication and vigor, with whom I had a long conversation in Chiang Mai in northern Thailand.

There are massive problems to be overcome in weaning the hill tribes from opium agriculture. First, there is the problem of land ownership. Traditionally, the king owns all the mountains and all the seashores of Thailand and, therefore, all hillside agriculture is technically illegal. But if the hill people are to be persuaded to shift to other crops and a more stable agriculture, they have to be assured of the ownership of the land they till. The Thai Government has been encouraging the development of permanent settlements, ignoring the technical illegality of their own position while they grapple with the legal problem of land ownership.

The second problem involves finding suitable crop substitutes. Opium is very easily moved to market and it does not take a lot of transport and it brings a large and reasonably stable cash return. Corn or fruit or market vegetables would be much more difficult to move to the distant urban markets and the prices would fluctuate widely, according to the whims of the Thai merchants. Beyond this, there is the fact that with substitute crops like tea, coffee, and fruit, it would take 5 years before the first crop came in.

Third, there is the problem of teaching the hill people entirely new agricultural techniques, including terracing and windbreaks.

Fourth, there are no educated hill people who are available for immediate recruitment as administrators or technicians and bare literacy probably does not exceed 5 or 10 percent among the hill people.

In Chiang Mai, I also had a long conversation with Mr. I. M. G. Williams, the U.N. representative who is working with the Thai Government on the hill tribe program. Mr. Williams is a dynamic man with a tremendous experience in the area. In World War II he served as a colonel with the British army in Burma and after the war he worked for many years in different parts of the Far East as an official of the British Colonial Office and the British Foreign Office.

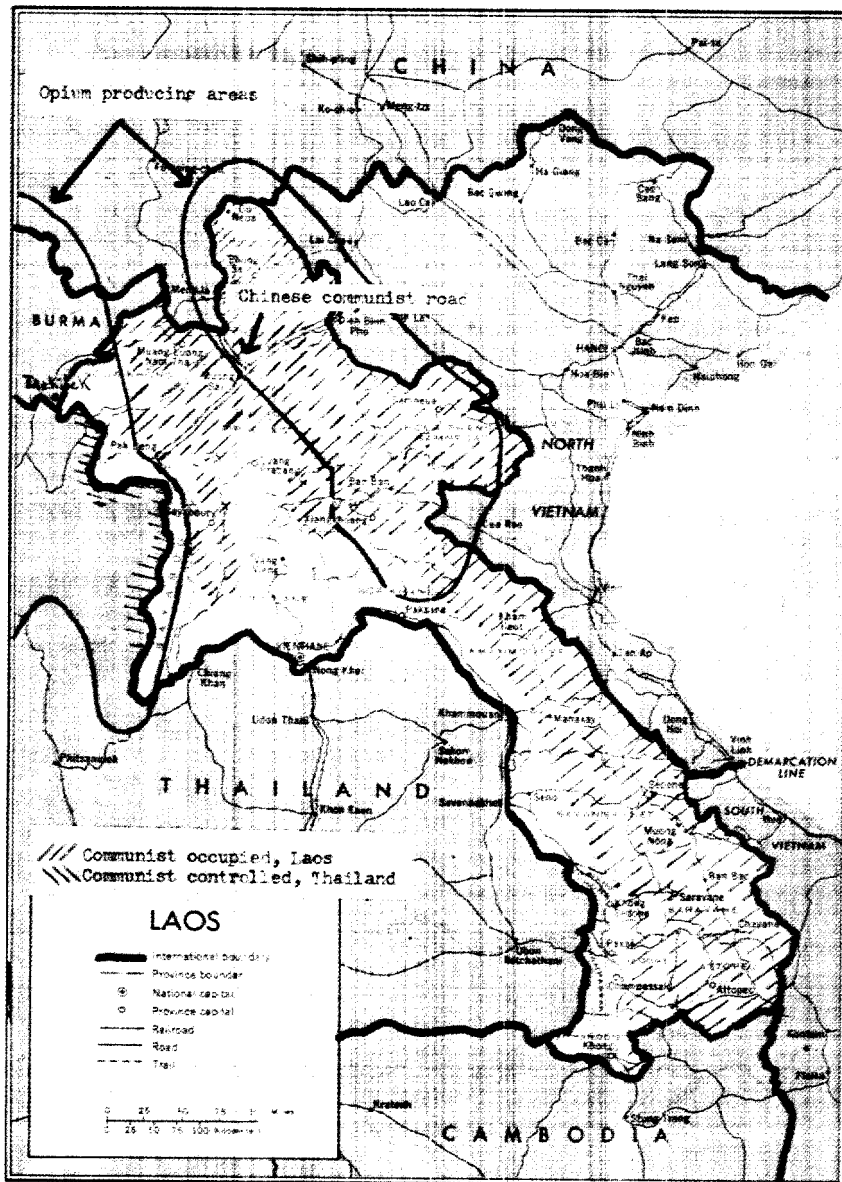
Mr. Williams had the highest praise for the cooperation he was getting from the Thai Government, especially from his Thai counterpart, Chit Posayananda, whom we also met in Chiang Mai. Mr. Williams told me of their plans for a pilot program involving the construction of a model village with five satellite villages. The village would contain a headquarters and a dispensary and be staffed by agricultural experts who would be volunteers on the Peace Corps style.

Mr. Williams felt that despite the many difficulties there was reason for optimism. He said that there was a new mood among the hill people. They want to get away from the itinerant slash-and-burn agriculture and move into permanent settlements and get some education for their children. But he felt that the program was not moving as rapidly as it might, in part because his headquarters in Geneva insisted on the most painstaking studies before any action was taken in each case.

The government has pushed its efforts to the point where it has aroused open resentment among the Meos, making it markedly easier for the Communists to recruit Meo tribesmen for the guerrilla insurgency which has plagued northern Thailand for a number of years now. The Communist come to the Meos and say to them, in approximately these terms: "The government is trying to prevent you from growing opium poppies, which you have always done and which is your right. They are trying to take your only cash crop away from you. Come with us and we will let you grow opium poppies."

On the basis of such agitation and with cadres trained in Hanoi and Peking, the Communist have been able to establish fairly effective control over a strip of land perhaps 150 miles long by 25 to 50 miles deep along the northernmost portion of the Laotian frontier.

The Communists have about 3,000 guerrillas in the area who are extremely well equipped. We were told that they have AK47 rifles which are comparable to our M-16's, 60 and 81 millimeter mortars, B40 rockets, 57 millimeter recoilless rifles, and rubber landmines and booby traps similar to those used by the Vietcong. There is reason to believe that the movement is directed from China, among other things because the supporting propaganda operation, the Voice of Free Thailand, is located there. The Voice of Free Thailand has transmitters capable of reaching all the way to Bangkok and it carries sophisticated programs of music, news, and propaganda in both the Thai and Meo languages.



Map of Laos, with portions of northern Thailand, Burma, and southern China. Black outline indicates opium growing area. Shaded portion in Laos indicates approximate area of country and of opium area occupied by Communists. Y-shaped lines in north of Laos indicate approximate position of 8 meter-wide road being built in the direction of Thai frontier by a force of 20-25 thousand Communist Chinese.

On the map which you now see, I have shaded the area in Laos over which the Communists exercise control.

Mr. MARTIN. Those are the diagonal red streaks in Laos—which is green—all the way up to the top there.

(The map referred to appears on p. 28.)

General WALT. And the area along the Thai frontier over which they are believed to exercise effective control.

Mr. MARTIN. The area along the Thai frontier—the red over the yellow, that is—that is where the Communist insurgents are in Thailand.

General WALT. This is Meo country and the Communist guerrillas for the most part are Meo tribesmen in this area as in Laos.

Because it ties in with the general political situation against which we must view the attack on the Southeast Asian drug problem, I have also indicated in this map the approximate position of the road which a force of 20,000 to 25,000 Red Chinese have been building across northern Laos for some 5 years now, in the direction of the Thai frontier.

Mr. SOURWINE. Is that a cooperative effort with the Laotian Government?

General WALT. As far as the road is concerned?

Mr. SOURWINE. Yes.

General WALT. No, the Chinese are building it.

Mr. SOURWINE. Without Laotian permission?

General WALT. Yes.

Mr. SOURWINE. Why?

General WALT. We don't know. I asked that same question; they don't know what the ultimate purpose of the road is. They do know that the road is well protected by antiaircraft weapons—there is nobody flying over the road these days—and the purpose of the road we don't know. We do know that it is headed toward Thailand, and Thailand is very much concerned about it.

Senator GURNEY. What kind of a road is it, General?

General WALT. It is a wide enough road for two-lane traffic and hard surfaced—I don't know whether its macadam. The early part of the road is hard surfaced.

Mr. GILLIES. Mr. Sourwine, I have heard one comment; the concern is that this road coming down here has the ability to supply any effort in this area of insurgency.

Senator GURNEY. In other words, it is a military road?

Mr. GILLIES. Yes, it is, sir.

General WALT. Certainly protected by military forces.

The road is 8 meters wide; I have that here. Today, it is within 50 miles of the Thai frontier and as the map clearly indicates, the road is heading for that portion of northern Thailand where the Communists have already established a fairly firm control. The Communist force working on the road includes a large security element, equipped with antiaircraft weapons and extremely accurate radar controls.

Who can blame the Thais if they worry about this situation?

I have heard the question asked repeatedly how so much opium could be coming through Thailand if the Thais were really trying to stop it. While there is a lot of room for improvement in Thailand, I think the basic answer to this question is given by the fact that the powerful

United States of America, with the largest, the best-trained and the best-equipped customs agency and drug repression agency in the world, is able to intercept no more than 15 percent to 20 percent of the drugs coming into this country.

In Saigon, before I left for Thailand, an earnest young newspaperman came to see me and said that he was convinced that so much opium could not be entering Thailand from Burma without the complicity of the customs authorities at the border. There are only four customs posts on the Burma border and there are literally hundreds, if not thousands, of jungle trails. The smugglers don't have to pay bribes to get by customs; there is a simpler, easier, and cheaper way of getting their stuff into Thailand. Once they get into Thailand, to avoid ambushes by the Royal Thai Army, they traverse a network of trails along remote mountain ridges, traveling mostly at night and rarely following the same route on any two trips.

In Thailand, as in other countries, I asked the BNDD representatives whether they were able to share drug intelligence with their counterparts and whether the Thai authorities took action on the information they were given. They told me that the Thai authorities had never violated a confidence, that BNDD did share their intelligence with them, and that the Thais did follow through vigorously whenever they were given a lead.

I also asked about the charges of corruption in high places. I was assured categorically by the American drug control officials that they have absolutely no information pointing to the involvement of anybody in the Thai Government at the policymaking level.

Any government can be made to look bad if one focuses only on the failures and weaknesses and on unfounded allegations against that government; but I believe every government is entitled to credit for its record of positive accomplishments; and after my visit to Thailand, I am convinced that some of the accounts that have appeared in our media have failed to give the Royal Thai Government credit for all that it has done, especially over the last year, to help bring the flow of drugs under control on a national and international scale.

I have already mentioned Thailand's agreement with the United Nations. Thailand was also the first nation to enter into an agreement with the U.N. Committee for Drug Abuse Control, and together they are now engaged in a pioneering international project aimed at the suppression of opium cultivation through education and crop substitution.

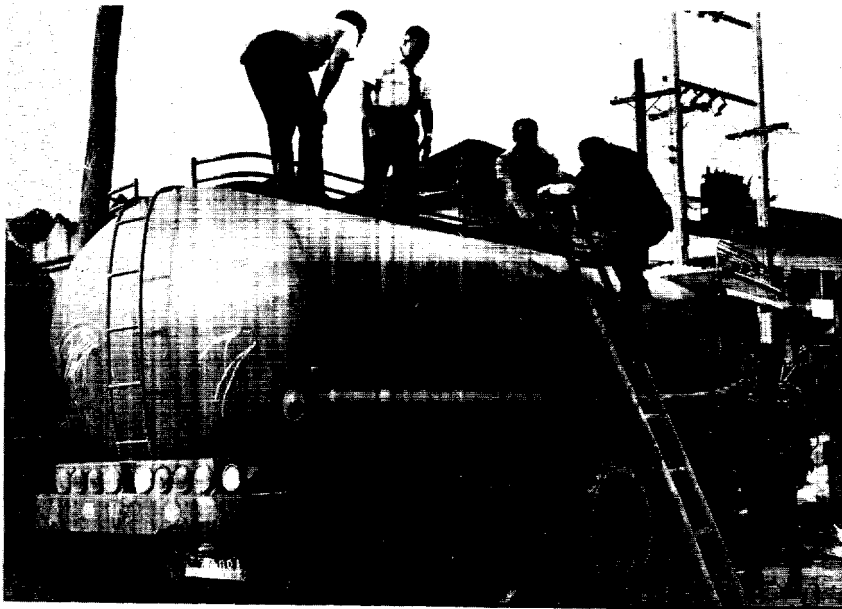
The memorandum of understanding of last September between the Thai Government and the United States Government was the first document in which two countries jointly committed themselves to an all-out battle against the international drug traffic.

In April/May of this year, the Royal Thai Government, with United States technical and logistical assistance, created a special mobile enforcement unit designed to interdict narcotics in the north. This operation now has five offices in northern Thailand.

During the first week of June, acting on its own intelligence, it struck a major blow against the drug traffickers with the seizure of 1,600 kilos of opium concealed in the wells of tank trucks, as well as a large amount of chemicals used in the manufacture of heroin. I have some pictures here showing trucks and opium seized in Lampon. It is a

regular oil tanker truck in which they found the stuff. There is the material, 2 tons of it, that they captured.

The Thai police officials took me to see the tank trucks and the seized bales of opium. It was an awesome thought to realize that when this stuff is converted into heroin, the amount seized would be worth some \$60 million here in the United States on the streets of New York, and that literally thousands of human lives could be destroyed or wasted as a result of this drug.



General Walt inspects tank truck in which 2 tons of opium were seized by Thai police during the first week in June.

General WALT. Following up on the seizure in northern Thailand, the largest opium seizure made until that time in Thailand, Bangkok police several days later seized the first No. 4 heroin laboratory discovered in the city. There had been many other seizures, large and small, of heroin and opium prior to my arrival in Thailand.

Two weeks ago the papers carried the news that the Thai authorities had seized another 2.5 tons of opium and another No. 4 heroin laboratory.

Mr. SOURWINE. What does that mean; No. 4 heroin laboratory?

General WALT. That is the pure—that is the white stuff and the most difficult to make.

One of the greatest problems the Royal Thai Government had to contend with involved the activities of the Chinese Irregular Forces—CIF—along the northern Thai frontier. It had been common knowledge for years that these forces were heavily involved in the flow of opium. The Royal Thai Government in March of this year moved to resolve this problem by granting resident status and resettlement



General Walt inspects 2 tons of opium seized in tank truck, in custody at Thai police headquarters in Lamphoon, northern Thailand

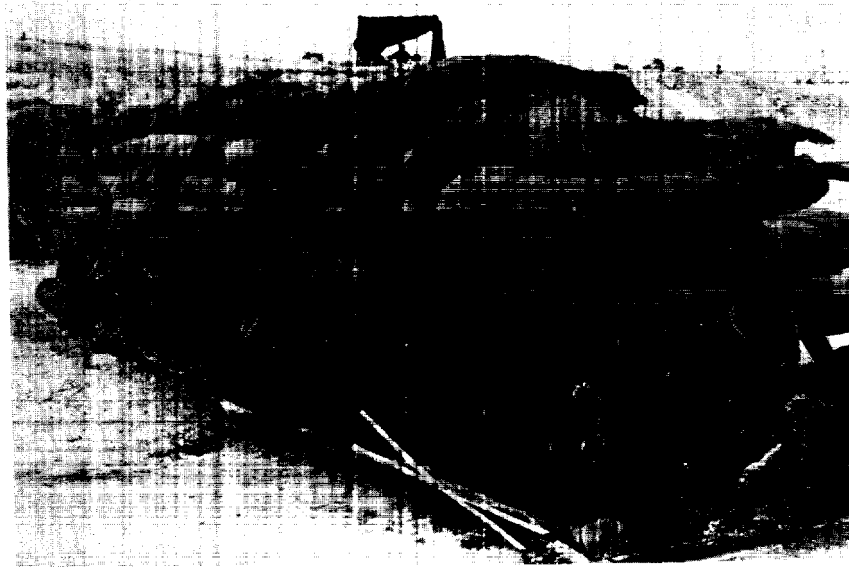
assistance to the several thousand members of the CIF in Thailand in return for their promise to get out of the opium business completely and turn over their stocks of opium.

Now, these CIF forces—Chinese Irregular Forces—sir, came out of Mainland China at the time of the Communist takeover there, and

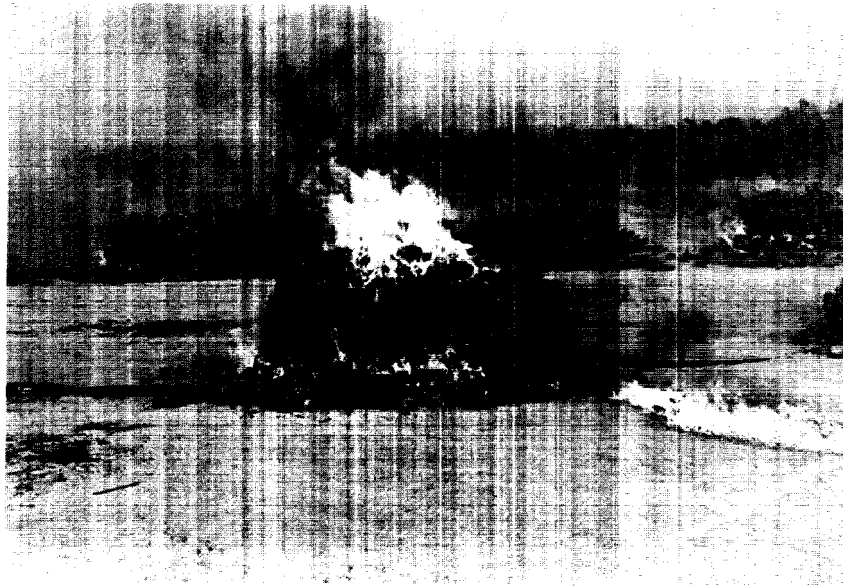
they have been without a home and without any place they could call a home. And so the Thais took advantage of this and they offered them a home and they gave them land if they, in turn, would turn over to the Thai Government the opium that they had on hand, and would get out of the opium growing business. This was a businesslike deal.

The resident status was a particularly precious item of exchange for the CIF because they had up until then been suspended in a condition of statelessness. The resettlement assistance included the grant of a tract of land away from the Burmese border, an agreement to build essential structures and roads, the provision of livestock and equipment, plus cash aid over a period of several years until the settlement became self-supporting. All told, the Thai Government committed itself to some \$1 million in assistance.

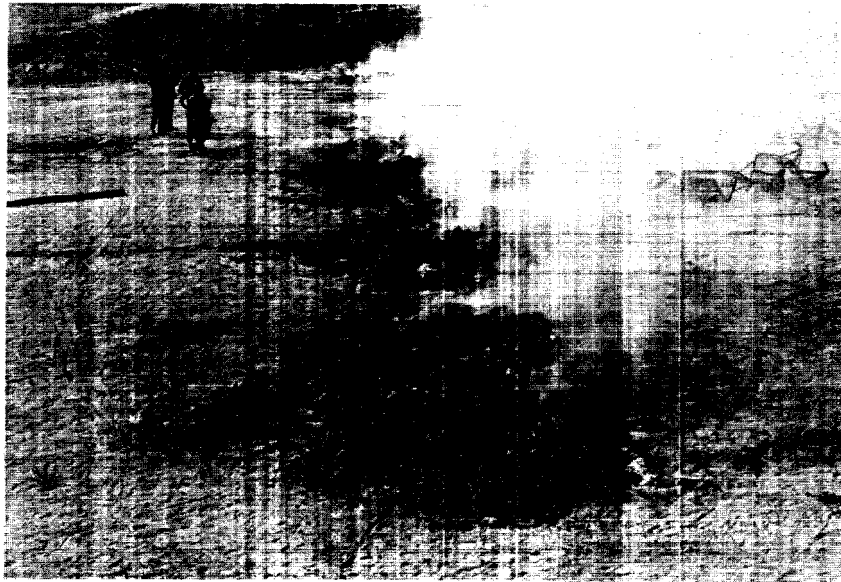
The CIF, on conclusion of this agreement, turned over to the Thai Government 26,245 kilograms, or 26 tons, of opium, which was publicly burned on March 7 of this year. For some reason this event received virtually no mention in the American press despite the fascinating history of this political-economic swap and despite the staggering amount of opium involved. At the current street price of \$390,000 per kilo, this amount of opium, converted into heroin, would be worth approximately \$3 billion. The amount of heroin equivalent which the Thai Government negotiated off the world market in this transaction was far greater than the total amount of heroin seized by all the free world's enforcement agencies over the previous 12 months.



Bales of opium placed on top of large pyres of logs, in preparation for burning



The pyres burned fiercely after being soaked in kerosene



Opium reduced to small piles of debris as the fires burned out. The debris was shoveled into a deep trench and covered over

General WALT. The news blackout of this incident is something that defies comprehension. I have had the Library of Congress research the matter and they tell me that they have been unable to find any article about the incident in 10 or 12 major newspapers which they checked.

Mr. Chairman, recently some question was raised about whether the 26 tons of opium burned actually was 26 tons of opium. I have here a few photographs I would like to show you of the preparation for the opium burn and of the actual burning.

This is the preparation for the burning. You will note the opium is on top and under the opium are piles of logs that are going to be used as fuel for the burning process. This shows the entire lot piled out on the vacant area where the burning is going to take place. This is a picture of the actual burning. There is nothing left there but the charred logs.

Mr. Ingersoll is going to elaborate on this in a few minutes.

I would like now to ask, Mr. Chairman, that my testimony be interrupted so that you can take the testimony of Mr. John Ingersoll, the director of BNDD; Mr. William Wanzeck, until recently director of the BNDD bureau in Bangkok; and Mr. Joseph Koles, forensic chemist for the BNDD, on the steps they took to make certain that the 26 tons of opium that were burned was really opium and that they were not burning hay or something else. I respectfully suggest that these three witnesses be called to the stand in a group.

The CHAIRMAN. Are they present?

General WALT. Yes, sir; they are present.

The CHAIRMAN. We will recess now until 2:15 and we will take this testimony.

General WALT. Thank you, Mr. Chairman.

(Whereupon, at 12:40 p.m., the hearing was recessed to reconvene at 2:15 p.m. this date.)

AFTERNOON SESSION

Senator GURNEY (presiding). The subcommittee will come to order.

STATEMENT OF GEN. LEWIS W. WALT, U.S. MARINE CORPS (RETIRED), HEAD, SUBCOMMITTEE SPECIAL TASK FORCE ON THE WORLD DRUG SITUATION, ACCOMPANIED BY DAVID MARTIN, SENIOR ANALYST, SENATE SUBCOMMITTEE ON INTERNAL SECURITY, AND H. WAYNE GILLIES, SPECIAL COUNSEL—Resumed

General WALT. Mr. Chairman—

Senator GURNEY. Yes, sir.

General WALT. This morning I made a mistake, apparently, in nomenclature when I said 150 tons of heroin was coming into this country each year. I didn't mean heroin; I meant the opium equivalent. I would like to make that correction.

Senator GURNEY. Thank you. That will be duly noted.

Mr. SOURWINE. Mr. Chairman, if I may, it was counsel's question that the General answered and I am afraid the answer is still not 100 percent clear, since the question concerned the amount of heroin coming in.

General WALT. Yes, sir.

Mr. SOURWINE. Did your answer refer to the amount of opium or the opium equivalent coming in?

General WALT. The opium equivalent.

Mr. SOURWINE. The heroin would be what—about a tenth of it?

General WALT. A tenth; probably 15 tons of heroin.

Mr. SOURWINE. Thank you, sir.

Thank you, Mr. Chairman.

General WALT. Mr. Chairman, I would like now to call two witnesses that we have asked to participate here—Mr. William Wanzeck, who is the BNDD—he was in the BNDD bureau in Bangkok recently, director there; and Mr. Joseph Koles who is a chemist for the BNDD. I was going to ask Mr. John Ingersoll, the Director of the BNDD to introduce these witnesses.

TESTIMONY OF JOHN E. INGERSOLL, DIRECTOR, BUREAU OF NARCOTICS AND DANGEROUS DRUGS, DEPARTMENT OF JUSTICE, ACCOMPANIED BY WILLIAM WANZECK, FORMER SOUTHERN ASIA REGIONAL DIRECTOR, BNDD, AND JOSEPH KOLES, CHEMIST, SPECIAL TESTING AND RESEARCH LABORATORY, BNDD

Mr. INGERSOLL. Mr. Chairman and members of the subcommittee—
Senator GURNEY. Before we go on with this, I would like to swear the witnesses.

Mr. William Wanzeck, is it? One second, would you stand up, and Joseph Koles, will you raise your right hand. Do you solemnly swear the testimony you are about to give is the truth, the whole truth and nothing but the truth, so help you God?

Mr. WANZECK and Mr. KOLES. Yes, it is.

Senator GURNEY. Go on.

Mr. INGERSOLL. Mr. Chairman, I am appearing before you today for the purpose of recounting—

Senator GURNEY. Would you please identify yourself?

Mr. INGERSOLL. Yes, sir. I am John Ingersoll, the Director of the Bureau of Narcotics and Dangerous Drugs.

Senator GURNEY. Go on.

Mr. INGERSOLL. I am appearing before you today for the purpose of recounting the details of an event which occurred on March 7 of this year in Chiang Mai, Thailand.

Mr. SOURWINE. Mr. Chairman, if this witness is going to testify, maybe he should be sworn.

Senator GURNEY. Are you going to testify?

Mr. INGERSOLL. Yes, sir, I am.

Senator GURNEY. I will swear you, too.

Mr. SOURWINE. Were you present?

Mr. INGERSOLL. I was not present at the event.

Senator GURNEY. The two men who were present are here?

Mr. INGERSOLL. Yes, sir; Mr. Wanzeck and Mr. Koles.

Senator GURNEY. Would you stand up, Mr. Ingersoll? Raise your right hand. Do you solemnly swear the testimony you are about to give is the truth, the whole truth and nothing but the truth, so help you God?

Mr. INGERSOLL. I do.

Senator GURNEY. Go on.

Mr. INGERSOLL. The incident under concern is the destruction by burning of more than 26 tons of illicit opium. I might point out, Mr. Chairman, that this is an event without parallel since the seizure and destruction of 1,000 tons of opium from British ships in Canton Harbor by the Chinese Emperor's Commissioner in 1839. That incident which was also a great episode in the effort of another government at another time to curb opium addiction touched off the opium war which ended in the defeat and humiliation of Imperial China. I would like to trace the events which led to the latter-day opium burning in Chiang Mai, and the importance which it may have for controlling the narcotics traffic in Southeast Asia.

Since the close of hostilities on the Chinese mainland in the late 1940's, as General Walt described to the committee this morning, numerous small military units have settled in the border areas of Burma, Thailand, and Laos. These are essentially areas in a primitive agricultural state which lack any real control from a central government. These remnants of KMT forces, now called Chinese Irregular Forces, move at will within the border regions and only occasionally serve the interests of the states within which they are located. However, they also took advantage of the native opium traffic that existed there and still does, and organized it as a principal source of income.

For over two decades this has been a fact of life in Southeast Asia and the incident which I am relating today is one of the first genuine efforts to permanently disrupt this pattern.

The presence of uncontrollable military forces in the Thai border regions, and particularly their trafficking in opium, has become an increasing source of embarrassment to the Royal Thai Government. As a result, Thai military authorities with jurisdiction over these regions began negotiations with two groups of Chinese Irregular Forces to obtain their permanent resettlement in Thailand and their integration into the mainstream of Thai culture and commerce.

These two groups, headed by self-appointed generals, consist of approximately 6,000 individuals, comprising men, women and children. The effort to resettle them involves not only the allocation of land but also the development of new agricultural pursuits.

Late in December of 1971, negotiations reached the point where the Chinese generals agreed to the resettlement scheme and offered among other things to surrender 26 tons of harvested opium on hand from the most recent crop collection. The opium was to be exchanged for legal recognition, land, agricultural assistance, settlement of debts and an immediate cash reserve for the housing and supplying the group during the initial resettlement period.

In view of American interests in suppressing the illicit opium traffic in Southeast Asia, our embassy was approached for assistance in facilitating this resettlement, and a tentative agreement was reached for providing the sum of \$1 million.

From this point forward, it was determined that our bureau—the Bureau of Narcotics and Dangerous Drugs—should be the principal in arranging the transfer of funds and insuring the surrender and destruction of the 26 tons of opium. The necessary funds were transferred to our Bangkok office and Mr. William Wanzeck, seated to my right, our Regional Director, entered into negotiations with General

Kriangsak of the Royal Thai Army, who is responsible for the resettlement. This resulted in an agreement in early February whereby our officials would inspect the surrendered opium, witness its destruction and receive evidence of the progress in resettling the two groups of Chinese Irregular Forces.

Throughout the month of February, this opium was packed by mule through the remote regions of the Golden Triangle to two predetermined collection points where the caravans were met by the Royal Thai Army. Here, in early March, where the highways run abruptly into the jungles, the two deliveries took place and the opium changed hands. At this point, it was subjected to the first of two tests to determine its identity as opium.

Senator GURNEY. Did we have anybody present at this meeting and transfer?

Mr. INGERSOLL. No, sir; not at that point.

Senator GURNEY. Go on.

Mr. INGERSOLL. After testing, the individual 2-kilogram packages were placed in large burlap sacks and convoyed in army trucks under armed escort to an artillery range in Chiang Mai. The range was then sealed off with an armed security force.

Senator GURNEY. Who did the testing at this transfer point?

Mr. INGERSOLL. At the transfer point, representatives of the Thai Excise and Customs Department, who are experienced in testing substances that are represented as being opium.

A previous arrangement had been made to fly one of our research chemists, Mr. Joseph Koles, who is seated to my left, from the Bureau's Special Testing and Research Laboratory in Washington, D.C., for the purpose of examining the surrendered opium so we, too, would be satisfied as to its being what it was represented to be.

On March 6, Mr. Koles accompanied by our regional director, Mr. Wanzeck, visited the Chiang Mai artillery range where the sacks of opium were stored in a special area surrounded by barbed wire and armed troops.

Each burlap sack contained between 84 and 87 kilograms of opium in the form of 20 individually wrapped packages of opium. Mr. Koles and Mr. Wanzeck at that time removed samples at random from each of the individual sacks, which were 319 in number. The specimens were taken by first cutting into the bag with a knife and then withdrawing a small amount on a wooden applicator stick plunged at depth into the particular ball of opium which it happened to strike. All of these specimens were then placed into containers and secured for examination.

Subsequently, the samples were subjected to two different types of scientific tests in such a way as to insure that all samples were tested at least once, and some of them twice. It was found that all of the samples were representative of unadulterated gum opium typical of the area. Our chemist was, therefore, able to conclude that the entire 26 tons of material in question was opium of a quality typical of Southeast Asia.

At this point, I should explain that gum opium is a raw agricultural commodity which consists of a latex-type exudate from the opium poppy bulb and varies in morphine content from one geographic area to another. The most potent opium is produced in Turkey, having a morphine content sometimes in excess of 15 percent. Southeast Asia

opium, although normally of lower quality, may have as high as a 10-percent morphine content. The 26 tons of opium in question would, nevertheless, suffice for the manufacture of more than 2 tons of heroin.

Ten pyres were then constructed on the artillery range in Chiang Mai with stacks of logs approximately 12 feet in length. On top of these were placed the bags of opium which were then drenched with jet aviation fuel. On March 7, officers of our bureau together with Thai army officers and members of the Bangkok press corps stood witness as the mass was ignited for final destruction.

The decision to call in the Thai press had been made at the last moment and several bags were cut open for the benefit of a demonstration to them prior to the burning. The 26 tons burned for a total of 15 hours until, on the morning of the 8th, the modest residue was bulldozed into a pit and buried.

This ends the account of the largest single destruction of opium which has occurred since Commissioner Lin touched off a war with Great Britain in the last century. More importantly, we hope that it is the beginning of the end of organized opium trafficking by irregular military forces operating in the Golden Triangle.

All of Southeast Asia is now rife with rumors and speculations as to what occurred on March 7 and what it means for the future of the opium traffic. Political, cultural, and economic factors surrounding the narcotics trade in this area of the world are so complex that one cannot expect an immediate solution.

What we have here is a demonstration of the efforts and the good faith of Thai authorities to reverse the traditions of two decades.

Mr. Chairman, we do have some excerpts from films, movie films, that were taken of these samplings, the movement of the opium and of the final destruction; and with the permission of the chairman and your indulgence, sir, I should like to present this as further evidence of what occurred at that time.

These excerpts are taken from a much longer film that runs about 30 minutes in length and it shows the activities of Mr. Wanzeck and Mr. Koles during the testing phase; and then, Mr. Chairman, we would be very happy to respond to questions.

Mr. SOURWINE. Will a copy of this film be supplied to the committee?

Mr. INGERSOLL. We will see that it is, sir. Mr. Wanzeck can narrate this film.

(Film presentation.)

Mr. WANZECK. This is the mule trains bringing the opium into one of two collection points which were in remote areas in northern Thailand. At this point the Thai officials were the only ones there because these people, had there been outsiders present, they might not have ever gone through with the project.

The gentlemen with the yellow epaulets are excise officials. They are at this point testing one of the balls of opium, as you can see it, is their classic method of testing. They are the gentlemen who used to go out into the fields and buy opium when it was a legal monopoly in Thailand.

This is one of the methods of determining whether it is good opium or bad opium, and from the reports I have received, the tests indicated that it was good opium.

I cannot tell you the significance of these tests, but I do know they were field tests that were conducted by the excise officials.

Mr. SOURWINE. Do you know what he is doing?

Mr. WANZECK. Sir?

Mr. SOURWINE. Do you know what he is doing?

Mr. WANZECK. No, sir; it is just one of the field tests that they utilize. What it is I just cannot answer that.

Mr. INGERSOLL. We can describe our testing to you in great detail.

Mr. WANZECK. Then it was put in these Thai Army trucks and convoyed under very strong security measures. This is at the rifle range in Chiang Mai, Thailand. We have just arrived; that is, myself and Mr. Koles. The drug—the first shipment, had already arrived. This is the afternoon of the 6th; this is about half of it.

At this point we are—I am sticking the knife at random into these stacks, sticking a wooden applicator in, withdrawing some of the sample and placing it in a test tube. Later scientific tests were conducted by the chemist who had come over specifically for this purpose.

This is Mr. Koles demonstrating to the Thais the tests that were conducted later that evening. This is the first of the two shipments. The second shipment arrived later that evening while we were there; we conducted the same type sampling. There were 319 rice bags in all.

The gentleman in white, as you see, is General Kriangsak, the gentleman in charge of this program.

You will notice the barbed wire around the perimeter of this outdoor barn-type building. Then there were Thai Army officials surrounding the perimeter of this rifle range and there was absolutely no access in here unless you had a special pass from General Kriangsak.

This is the second shipment that arrived later in the evening. The security involving this program was in detail. You will notice each bag is sealed, each bag containing between 83 and 87 kilograms of opium; they went through detailed security measures to make sure that everything was there.

As you will notice, we are putting holes in each one of the sacks.

The next morning from the weight of the sacks the opium was exuding like tooth paste coming out of a tube.

This is the Thai press just before the burning; they are examining the various packages. They cut open a couple of packages for them to see that it was opium. This is when it was touched off. This is the evening of the 7th.

All night long for a period of 15 hours from the time this was touched off until the next morning they threw bags of JP-4, aviation jet fuel, on the fires.

At this point there was absolutely no smell associated with this. It was going straight up and we tried to determine if we could get a smell out of it, an odor, and there was absolutely no odor.

This is the next morning. This is all that was left and this is the bulldozer putting it in a very deep hole in the ground that had been prepared on the afternoon of the 6th. They wanted to make sure they could not be criticized for any of the drugs escaping after it had been burned.

Senator GURNEY. Does opium have a distinctive smell when it is burned?

Mr. WANZECK. It does if you are smoking it, if you are in close proximity, but the smoke was rising directly up in the air so it wasn't being carried on any stream across the area.

Mr. INGERSOLL. Perhaps Mr. Koles, Mr. Chairman, can explain to you just why there was no odor in the immediate area—from a scientific viewpoint.

Senator GURNEY. Go ahead, Mr. Koles.

Mr. KOLES. The heat generated by the flames created such an up-draft that all the smoke and other odors were carried directly up into the air, as though in a large chimney and there was no odor at ground level at all.

Senator GURNEY. Well, now, which one of you gentlemen wants to testify about the testing? Who was the chief tester here, Mr. Wanzeck or Mr. Koles?

Mr. INGERSOLL. Mr. Koles is the man who did the scientific analysis and testing.

Senator GURNEY. Mr. Koles, will you go ahead and describe what you did?

Mr. KOLES. The testing was done under field conditions and it was designed to qualitatively identify that the material we were dealing with was opium.

Senator GURNEY. When did this take place, and where did it take place?

Mr. KOLES. This took place in a hotel room a short distance from the artillery base in Chiang Mai, Thailand. It took place immediately after we sampled them on the evening of the 6th.

Senator GURNEY. And the bales were at this artillery base; is that correct?

Mr. KOLES. These bales were at the artillery base, and in the movies it was shown Mr. Wanzeck and myself were taking samples of it.

Senator GURNEY. How many bales were there?

Mr. KOLES. There were 319 rice bags or bales filled up with this opium.

Senator GURNEY. And you saw these 319?

Mr. KOLES. Yes, sir.

Senator GURNEY. Did you count them?

Mr. KOLES. Yes, sir.

Senator GURNEY. How many individual packets were contained in the 319 bales?

Mr. KOLES. In these bales there were 20 individual packets.

Senator GURNEY. And how much opium did they contain, approximately?

Mr. KOLES. Each packet would contain approximately four kilos of opium.

Senator GURNEY. Would you go on and explain the way you made your tests?

Mr. KOLES. We took the samples back to the hotel room.

Senator GURNEY. First of all, how did you get the samples?

Mr. KOLES. The sampling was shown in the photographs. Mr. Wanzeck cut first into each bag at random.

Senator GURNEY. When you say each bag, do you mean each bale or each bag in the bale?

Mr. KOLES. Each bale, each rice bag containing the 20 smaller packages.

Senator GURNEY. Go on.

Mr. KOLES. We cut into the bag at one point at random and in doing so we would hit with a knife one of the packages of opium and from that we withdrew a sample of the opium; and this sample is the sample we took back to the hotel room and tested it.



William Wanzeck, former Southeast Asia regional director for BNDD, and Joseph Koles, BNDD forensic chemist, taking sample from one of the bales of opium destroyed on March 7, 1972, in the Chiang Mai area. (This photograph was excerpted from the film exhibited to the subcommittee, showing the sampling, testing, and destruction of the 26 tons of opium.)

Senator GURNEY. And you cut into each of the 319 individual bales?
Mr. KOLES. There were 319 samples taken, one from each bale.

Senator GURNEY. Did you try to enter these bales at different points in each bale?

Mr. KOLES. Yes, sir; we did. At one time, it would be from one end of a bale; at another time, it would be from the center of the bale or the opposite end of the bale.

Senator GURNEY. Would there be any possibility that within the bale there might not have been opium, that there may have been some other substance that you might not be able to reach?

Mr. KOLES. This is a possibility but by random sampling, particularly on such a large scale, we should have uncovered some material which was not opium.

Senator GURNEY. What was the size of these bales?

Mr. KOLES. These bales would be approximately 3 by 2 feet by approximately 8 to 10 inches in depth.

Senator GURNEY. You cut in and took this sample out by the insertion of—what was it—a wooden applicator?

Mr. KOLES. Yes, sir.

Senator GURNEY. How close would you get to the center of the bale?

Mr. KOLES. We would get approximately to the center of one of these balls, one of these packets of opium, that we were cutting into.

Senator GURNEY. How many of the individual balls were on the outside of the bale?

Mr. KOLES. The outside of the bale would account for five on each side, two additional on the bottom and top. Even if a bale could not be reached except on the end, we could sample any one of 14 of the 20 packets of opium in a bale.

Senator GURNEY. Were any of the bales broken apart so that you could see what was in the interior?

Mr. KOLES. Not at that point, sir.

Senator GURNEY. Were they later?

Mr. KOLES. They were later cut into and exposed to the Thai press and to the Thai committee that was examining them when they were in place on the pyres. At that time several of the bales were cut into exposing the individual packets and a number of the packets were taken out, opened up and exposed to both the Thai press and the committee which was examining them.

Senator GURNEY. It would seem to me as I looked at those motion pictures that on the top of many of the burning piles or piles about to be burned there were individual packets. Am I correct in that or not?

Mr. KOLES. Not—no, sir; the bales were all on the pyres and then on top of the bales there were additional logs piled.

Senator GURNEY. Additional what?

Mr. KOLES. Logs.

Senator GURNEY. I see. It must have been the logs I saw.

Mr. KOLES. Yes, sir; there were logs underneath to form a base of the pyre, then several courses of the bales were put on it, and then on top there was another pile of logs.

Senator GURNEY. Now go on with your testing techniques.

Mr. KOLES. The testing took place, as I say, in the hotel room and it consisted of two tests. Both of the tests were designed to qualitatively demonstrate that we were dealing with opium.

The one test, which was a microscopic examination, revealed the texture of the material which is quite characteristic and there also was a chemical test involved which revealed specifically that morphine was present in the sample.

The second test we did was what is called thin layer chromatography, and in that test we matched up the components of opium—that is, the morphine and the other alkaloids, against a known sample of opium which I carry for purposes of comparison.

All the tests that we ran of both types were positive. There were actually more than 319 tests run because a number of the packages were run by the two methods.

Senator GURNEY. And these tests indicated what?

Mr. KOLES. These tests indicated that we were dealing with opium, that the material we were examining was, in fact, opium.

Senator GURNEY. What was the strength, the percentage of morphine in the opium?

Mr. KOLES. The tests, qualitative tests, they were not designed to determine the strength of opium—the strength of opium is normally considered to be the morphine content of opium.

The quantitative examination to determine the morphine content is a very lengthy procedure taking approximately 5 hours per analysis. There was no way that this could be done in the field. At the field we just were able to perform qualitative examinations to determine in fact that we were dealing with opium.

Senator GURNEY. Did you conduct any tests later on when you came home or anywhere else for that matter, to determine the qualitative analysis of this substance?

Mr. KOLES. No, sir; we were not permitted to remove samples from the area.

The one microscopic test would give us an indication of the quality because in a case where the morphine content drops below 5 percent the microscopic test would then fail to function; and in our testing that we did we got positive reactions from it, indicating that it was at least a 5-percent quality.

Senator GURNEY. And what would be the general quality or qualitative analysis of opium in this region?

Mr. KOLES. In this region, the opium runs as low as 2 percent and up as high as approximately 10 percent.

Senator GURNEY. Is it your opinion, then, that the opium that you were testing had generally the characteristics of opium in this particular area of the world?

Mr. KOLES. Yes, sir; the opium that I examined was consistent with opium from that area of the world.

Senator GURNEY. One thing that I should have done at the beginning, I think, was to qualify your ability or expertise in this field. Would you please do that for the committee now?

Mr. KOLES. I am a graduate chemist. I have a bachelor of science degree in chemistry and a master of science degree in analytical chemistry.

I have worked in industry as an analytical chemist for several years and since 1958 I have worked as a forensic chemist. I was first employed as a forensic chemist for the State of Florida in their crime detection laboratory at Tallahassee, Fla. Following that I was chief chemist, which is a civilian position, with the United States Army criminal investigation laboratory at Fort Gordon, Ga. I put in 2 years in that laboratory.

I then went overseas to the U.S. Army Criminal Investigation Laboratory in Frankfurt, Germany, where I was chief chemist for an additional 3½ years. Following that I came back to the United States and was employed by the Food and Drug Administration as a specialist or an expert in microscopic examination. At the time the Bureau was formed—at the time the Bureau of Drug Abuse Control was formed—I performed analyses for that Bureau while still employed by Food and Drug. They had a contract in which we did the analysis for the Bureau of Drug Abuse Control.

When the Bureau of Drug Abuse Control was merged with the Bureau of Narcotics, I then became an employee of the Bureau of Narcotics and Dangerous Drugs and it has been my experience since then that I am employed full time in the microscopic examination of materials for the bureau.

Senator GURNEY. Would you describe precisely your present employment?

Mr. KOLES. I am presently a forensic chemist with the special testing and research laboratory in the Bureau of Narcotics and Dangerous Drugs.

Senator GURNEY. Would you describe your experience all along the line as it pertains to the subject matter here, opium, morphine, heroin?

Mr. KOLES. With respect to the—my employment with the Bureau—I have examined and do examine almost all of the samples, foreign samples, that are seized by the Bureau or that are given to the Bureau by foreign governments. These are transmitted to the laboratory and I make the examination of all these foreign samples. I also examine samples which they have obtained in this country but our opium samples are predominantly material seized and then transmitted to us from a foreign country.

While employed with the Army laboratories, particularly while I was employed in Frankfurt, Germany, I also had occasion to examine seizures of opium which came to the attention of the authorities in that area of the world.

Senator GURNEY. Mr. Koles, I have here a copy of an article written by Jack Anderson, dated Monday, July 21, and in it he refers to the burning of these 26 tons of opium that we have been discussing. I won't read it all, although I will insert it in the record at this point in its entirety.

(The newspaper column referred to follows:)

[From the Washington Post, Monday, July 31, 1972]

THE WASHINGTON MERRY-GO-ROUND—THAI OPIUM BONFIRE MOSTLY FODDER

(By Jack Anderson)

With enormous fanfare last March, the Thai government announced it had burned 26 tons of opium. The pyre was hailed in Washington and Bangkok as evidence that Thailand at last was getting serious about cutting off the flow of heroin to the U.S.

"This quantity of opium if refined into heroin," crowed the State Department to Congress, "could have supplied one-half the U.S. market for one year." The value of the opium fed to the bonfire was estimated in the hundreds of millions.

Now, the CIA and other federal agencies have quietly informed Washington that something besides opium went up in that bonfire. The real story is that Thailand and, indirectly the U.S., were hornswoggled into believing that 26 tons of opium were burned, when, in fact, most of it was cheap fodder.

The tale of duplicity begins in November, 1971, when the drug-smuggling remnants of Nationalist Chinese troops along the Thai-Burma-Laos border heard the Thai government wanted to buy up some opium for a public demonstration.

The aging Nationalist generals weren't born yesterday. Having lived by their wits for 20 years, they saw an opportunity to make a killing.

Instead of loading raw opium, they pushed 100 mules with fodder, other plant matter, chemicals, and about 20 per cent opium.

The caravans made their way down from the remote border areas of Kachin and Shan to the northern drug center of Chiang Mai where the burning was to take place.

As one mule after another was unburdened, the Thais paid off the Chinese—in part, probably, with U.S. aid funds. In all, the cagy dope peddlers passed off five tons of opium as 26 tons and pocketed more than \$2 million from the fantastic hoax.

Either through corruption or stupidity, the Thai officials failed to test the huge mounds of "opium" before they soaked it with gasoline and put it to the torch.

Only as the smell of burning molasses wafted through Chiang Mai did the Thais suspect they had been had. Then, it was too late to do anything but cover up their goof.

And cover up they did. They hastily recruited gangs of workers to bury the "hundreds of millions of dollars" worth of fodder and opium ashes.

Senator GURNEY. Here is the important part :

Instead of loading raw opium, they pushed 100 mules with fodder, other plant matter, chemicals, and about 20 per cent opium.

The caravans made their way down from the remote border areas of Kachin and Shan to the northern drug centers of Chiang Mai where the burning was to take place.

As one mule after another was unburdened, the Thai paid off the Chinese—in part, probably, with U.S. aid funds. In all, the cagy dope peddler passed off five tons of opium as 26 tons and pocketed more than \$2 million from the fantastic hoax.

Either through corruption or stupidity, the Thai officials failed to test the huge mounds of "opium" before they soaked it with gasoline and put it to the torch.

Only as the smell of burning molasses wafted through Chiang Mai did the Thais suspect they had been had. Then, it was too late to do anything but cover up their goof.

And cover up they did. They hastily recruited gangs of workers to bury the hundreds of millions of dollars worth of fodder and opium ashes.

Senator GURNEY. First of all, may I ask you, Mr. Ingersoll, was it your testimony that \$1 million was involved in the transaction; is that correct?

Mr. INGERSOLL. That is correct, sir.

Senator GURNEY. \$1 million was passed from the Thai people to these Chinese, whatever they were called?

Mr. INGERSOLL. This was a combination; this is really a resettlement program and the negotiations led not only to the provision of cash but also land. As General Walt indicated this morning, they were legitimized; they are recognized by the Thai Government whereas they had not been before; and assistance in settling debts and providing—

Senator GURNEY. I understand that, but I want to pin down this bit in the article here of \$2 million. What money was transferred at this transaction?

Mr. INGERSOLL. One million dollars will be transferred when the transaction is completed.

Senator GURNEY. Was anything transferred at this particular time? Does anybody here at the witness table know?

Mr. INGERSOLL. In connection with the transfer of the opium, money was transferred; it may not have been at—on a face-to-face exchange but nevertheless money had been transferred. Yes, sir.

Senator GURNEY. Well, do you know how much it was?

Mr. INGERSOLL. \$750,000.

Senator GURNEY. This took place when the opium was passed from the Chinese to the Thai officials?

Mr. INGERSOLL. I am not sure of the exact time when the transfer was made.

Senator GURNEY. Could you get that for the record so we will know when it took place, how much was paid, and in what form of currency?

Mr. INGERSOLL. Yes.

Senator GURNEY. And if you can get this testimony in the form of an affidavit of whomever was responsible for the transfer, the committee would appreciate it.

Mr. INGERSOLL. I will make every effort to do that, sir.

(The affidavit referred to follows:)

IN THE MATTER OF THE DESTRUCTION OF APPROXIMATELY 26 TONS OF OPIUM BY THE
GOVERNMENT OF THAILAND

AFFIDAVIT OF WILLIAM T. WANZECK

I, William T. Wanzeck, hereby affirm that I am employed by the Bureau of Narcotics and Dangerous Drugs (BNDD), presently assigned to the Office of International Affairs. I was previously assigned as Area Director for the South-east Asian Area, stationed in Bangkok, Thailand, from July 13, 1968, to June 24, 1972.

During this time I was involved extensively in cooperation with officials of the Department of State in promoting programs in Thailand to reduce the quantities of opium available to the illicit traffic. Incidental to this activity, negotiations were instituted by the officials of the Government of Thailand and groups of Chinese Irregular Forces (CIF) whereby the heads of these groups agreed to a resettlement scheme involving thousands of persons in the border regions of Thailand. Eventually, the negotiations led to CIF agreeing to surrender approximately 26 tons of illicitly produced opium. This opium was to be exchanged for several considerations, including legal recognition of the persons in the border area, land, agricultural assistance, settlement debts, and an immediate cash reserve for housing and supplying the people during the initial resettlement period. Our Embassy in Bangkok was approached by officials of the Thai Government requesting that the United States furnish part of the assistance. Subsequently, the Agency for International Development agreed to provide \$1 million for the project, pursuant to Section 632(a) of the Foreign Assistance Act.

By mutual agreement of that Agency and BNDD, it was decided that BNDD would administer the funds and monitor the program, subject to the supervision of the United States Mission Drug Committee of the American Embassy in Bangkok. The Agency for International Development then transferred to BNDD the \$1 million.

I was present during the testimony of BNDD Director John E. Ingersoll before the Senate Subcommittee on Internal Security of the Judiciary Committee on August 14, 1972, and fully ascribe to and affirm his statements regarding the examination and destruction of approximately 26 tons of opium.

The first payment in the amount of \$720,288.12 was made by me to the Royal Thai Government on March 2, 1972, in Bangkok. Payment was in the form of three checks payable to the Supreme Command Headquarters of the Royal Thai Army. Subsequently, I learned from documentation that payment was made by a representative of the Royal Thai Army to representatives of CIF in Chiang Mai on March 6, 1972. Two separate checks were issued to two CIF groups, one in the amount of 8,337,500 bahts and one in the amount of 6,662,500 bahts.

I understand that a second payment in the amount of \$139,255.70 was made on June 16, 1972, to the Thai Government by a representative of BNDD in Bangkok. I have not yet received any documentation as to how this money was transferred or how it was subsequently transferred to representatives of the CIF.

Further, I understand that a third payment of \$140,456.18 is scheduled to be paid to the Thai Government on September 7, 1972.

Signed this 29th day of August, 1972, in Washington, D.C.

Senator GURNEY. Now, then, Mr. Koles, with regard to the other portion of Mr. Anderson's article, that is that there was a failure to test the opium, you have commented on it, but would you care to comment on Mr. Anderson's account of this incident?

Mr. KOLES. As shown by the films, the Thai officials made a testing of the opium at the time that it changed hands, and I personally tested it a second time while I was at Chiang Mai in Thailand.

Senator GURNEY. Well, now, from your testing, because, of course, we don't have the Thai people here, what is your comment on the fact that there were only 5 tons of opium in this 26 tons?

Mr. KOLES. That information is not consistent with my observations or my testing.

Senator GURNEY. Would there be any way that there could be any truth at all in that statement from your testing?

Mr. KOLES. There was none of my tests which failed which would have indicated adulteration, the indication to me was that all the tests fell within the limits we had expected, being from 2 to 10 percent morphine content in the opium.

Senator GURNEY. But, again, as far as the 5 tons are concerned, now Mr. Anderson simply is talking about this overall 26 tons of 319 bales that you saw; could there be any way that only 5 tons of those 26 tons were opium?

Mr. KOLES. If there was any, I believe it would have shown up in our random testing and sampling. There was no indication at all that the material—the total 26 tons which was examined—was not opium, as we saw it.

Senator GURNEY. Would you say that this account by Mr. Anderson was another one of his Anderson-Eagleton fantasies put out recently?

Mr. KOLES. I would say from my observation in the testing that this material which Mr. Anderson had in his column does not reflect the facts.

Senator GURNEY. I think we might call it rather one of his Anderson-Eagleton falsity fantasies. It seems to me that the facts here are a good deal like the facts he got from True Davis—totally untrue.

Could you add anything to Mr. Koles' testimony, Mr. Wanzeck? You were present at this time, too; is that right?

Mr. WANZECK. Yes, sir; and I would—I have served 4 years out in Southeast Asia and I have on numerous occasions seen raw opium and the opium that I saw out there as part of the testing, it didn't look like there was any abnormal, extraneous material in the opium I saw.

Senator GURNEY. Tell me what was your particular assignment at this time?

Mr. WANZECK. I was the regional director for the Bureau of Narcotics for region 16 which comprises Southeast Asia.

Senator GURNEY. How long had you had that job?

Mr. WANZECK. Four years, sir.

Senator GURNEY. Were you involved in the testing, or was that just Mr. Koles' assignment?

Mr. WANZECK. Well, I helped him pull the samples out, but as far as the scientific methods, I did not get involved in that other than assisting him in preparation of slides, et cetera.

Senator GURNEY. But you were present during all of the time that the samples were taken from these bales; is that correct?

Mr. WANZECK. Yes, sir.

Senator GURNEY. How many bales were there?

Mr. WANZECK. 319.

Senator GURNEY. And were samples taken from each of the 319 bales?

Mr. WANZECK. Yes, sir; they were at random.

Senator GURNEY. And you say they were at random, that was from all sides?

Mr. WANZECK. Yes, sir.

Senator GURNEY. The top and every sort of direction in the bale?

Mr. WANZECK. Yes. I would like to point out that it would be a flat bale; it would be 20 balls flat. There wouldn't be any bails on top of each other or any balls that you could not reach.

Senator GURNEY. So that there wouldn't have been anything in the center like, say, a bale of hay that you couldn't reach?

Mr. WANZECK. Well, that would have been possible; we could go around the perimeter and on some of them on the top, but at one time we weren't able to get to a group, and we asked the Thai officers to move another group for us. They did move that group and we then proceeded with our testing.

Senator GURNEY. But as I understand your testimony, in each bale there was only one layer of these individual balls of opium; is that correct?

Mr. WANZECK. Yes, sir; if this was a rice bag there would be 20 of these balls in this bag and it would be lying flat—one layer.

Senator GURNEY. Just one layer?

Mr. WANZECK. One ball layer thick; yes, sir.

Senator GURNEY. Now, then, how many—how much of a sampling did you take from, say, the top of the bale? Do you recall?

Mr. WANZECK. I can't recall, sir; it was at random.

Senator GURNEY. Do you recall, Mr. Koles?

Mr. KOLES. No, sir; because it was taken at random, and some of them that were on the outside of the stacks we were able to reach from the top; we could not get into the center stacks or bales and therefore all of these were restacked and we sampled them as they were restacked, so a number of them would have been sampled also from the top, because they would have been exposed and we would just have sampled them that way.

Senator GURNEY. I don't understand that. You say they were restacked. What do you mean by that?

Mr. KOLES. They were stacked in piles extending one bale in width along the floor and then a second stack was placed immediately in front of them and at one time I believe they had three or four bales in a row and then extending down, maybe 30 or 40 bales in length of these stacks; they were like stacks of cord wood.

Now, to reach the center bags of these stacks the outer bales had to be removed to let us get into the center stacks and they restacked these for us, and as they did that we continued with our sampling and we would hit more bags from, say, a top or a bottom than we would by just having them stacked in a close unit.

Mr. SOURWINE. Mr. Chairman, might we have an order that the staff review these movies and count the number of sacks shown to have been entered in the movies and tabulate with respect to that number of sacks how many were entered at the end, how many at the side and how many in the middle, that is, on the flat side? It is counsel's memory that of the ones that were shown here there were eight or nine shown being opened, of which two at least were taken on the side, that is, near the center of the sack.

Senator GURNEY. I would inquire, though, were movies continuously taken of all of the sampling?

Mr. KOLES. They were taken continuously while we were there but they would not have shown each and every bag being entered into; this would take a tremendous footage of film. Therefore, they were taken intermittently and as we go down this row of stacks and sample them one photographer would take pictures at one end and then when we were in the range of another photographer, another photographer would pick it up. You could not reconstruct completely the sampling from the movies.

Senator GURNEY. But it is your firm opinion that in the manner that you did the sampling, it would have been impossible to have concealed any fodder or mule feed or whatever it is that Mr. Anderson is talking about here?

Mr. KOLES. Yes, sir. I think any gross adulteration of the material would have been revealed by our random sampling and testing. The sampling and testing was designed for that purpose.

Senator GURNEY. Mr. Sourwine, do you have any questions?

Mr. SOURWINE. I would like to ask a few questions, Mr. Chairman.

How long did it take you to conduct this sampling?

Mr. KOLES. The sampling that was done required approximately 3 to 4 hours. This is the sampling alone.

Mr. SOURWINE. How long did it take you to conduct the tests after you got back to the hotel?

Mr. KOLES. I did half the tests that same evening and the remainder of the tests the following day. I would say a total of 10 to 12 hours were involved in testing. I worked through the night the first night to complete half the tests, and then I did the rest the next night.

Mr. SOURWINE. You did all of that yourself?

Mr. KOLES. Yes, sir, I did. Mr. Wanzeck was in attendance during a major portion of that. We roomed close to each other in the hotel, but the testing was done by myself, and Mr. Wanzeck was there viewing at least a portion of it.

Mr. SOURWINE. Well, now, from your experience as a forensic chemist, you have had some knowledge of the law of averages, haven't you?

Mr. KOLES. Yes, sir.

Mr. SOURWINE. If you had 319 sacks each with 20 packages in it, and if three-fourths of the packages in each one were filled with something other than opium, and you took a sample from each sack at random, wouldn't you expect to get more than half of your samples showing something other than opium?

Mr. KOLES. Yes, sir; I would expect if there were that much adulteration of the material a large number of my samples would have given me negative reaction.

Mr. SOURWINE. Did you have any negative reaction from any samples?

Mr. KOLES. No, sir; I did not.

Mr. SOURWINE. From that fact, what do you deduce as to the matter of the odds that there was adulteration, or nonopium substances, in any of these bales?

Mr. KOLES. I think it is extremely improbable that any adulteration was present; 319 random samples is a considerable number of samples; it is much more sampling than is normally done in purchasing a lot of material.

Mr. SOURWINE. If there had been only one package of the 20, in each bale, which was other than opium, you would have expected to strike some out of your 319 which were not opium; would you not?

Mr. KOLES. Yes, sir.

Mr. SOURWINE. I have no more questions, Mr. Chairman.

Senator GURNEY. One final point, Mr. Koles: As I understand it, you took the samples on one day and then the opium was burned on the following day; is that correct?

Mr. KOLES. That is correct.

Senator GURNEY. Were you present at the burning of the opium?

Mr. KOLES. Yes, sir; I was.

Senator GURNEY. Were you present all the time that the fire took place from beginning to end?

Mr. KOLES. No, I was present until late in the evening and then it burned through the night. I was not present through that entire night. The opium burned for approximately 15 hours.

Senator GURNEY. And you were present how long?

Mr. KOLES. For approximately a third or a half of that time.

Senator GURNEY. And, Mr. Wanzeck, were you present at this time also?

Mr. WANZECK. Yes, sir; I was.

Senator GURNEY. How long were you there—at the beginning of the fire?

Mr. WANZECK. Yes, sir.

Senator GURNEY. And how long?

Mr. WANZECK. We probably left there somewhere in the neighborhood of 11 or 12 that evening and came back the next morning at 8.

Senator GURNEY. You left with Mr. Koles?

Mr. WANZECK. Yes, sir; we traveled together.

Senator GURNEY. One final question: Would there be any possibility that these bags of opium—now let's assume that they were all of the sort of opium that you have testified to here—were removed between the time that you sampled them and when you came back to watch them burn, and substituted with something else?

Mr. KOLES. No, sir; they were in a security area; we returned in the morning after our sampling and they were still in the security area. A large number of the bags were still oozing the opium, because it is a semifluid and the weight of the bags was causing a lot of the opium to ooze out of the bags, and this was still in the process when we came back.

Senator GURNEY. And the appearance of the stack was the same as when you had seen them when you were taking the samples?

Mr. KOLES. Yes, sir; they were.

Senator GURNEY. And I assume that any change, in the substitution of any other material, would have been rather difficult to assume the same shape and disposition?

Mr. KOLES. Yes, sir; these bags were quite heavy and it would take a tremendous amount of manpower to remove them or exchange them.

Senator GURNEY. As well as a number of trucks?

Mr. KOLES. Yes, sir.

Senator GURNEY. Any other questions? I have no further questions. Thank you, gentlemen; unless you have something else to add—

Mr. INGERSOLL. Mr. Chairman, I would just like to add that I have seen the destruction of drugs in other countries, and from what I have seen from these films and from the accounts of Messrs. Wanzeck and Koles, I would conclude on the basis of my experience that the security and the precautions that were taken by the Thai Government effectively prevented any diversion of what you saw being burned as opium on that day.

Senator GURNEY. One other question: Do you have any idea where Mr. Anderson got his information that fodder was burned out there?

Mr. INGERSOLL. I have no idea, Mr. Chairman.

Senator GURNEY. Were there any fodder rumors going around Thailand at this time?

Mr. INGERSOLL. There were rumors of all kinds, not only fodder but there were rumors that beans were used as filler and other things. There were a number of wild, unsubstantiated rumors floating around as a result of this.

Senator GURNEY. This is typical of one of the wild, unsubstantiated rumors?

Mr. INGERSOLL. I think I am in a better position to agree with you than my colleague, Mr. Koles is, Mr. Chairman, and I agree with that statement.

Senator GURNEY. Yes.

Mr. SOURWINE. I didn't mean to interrupt but I wondered, with due respect, sir, if Mr. Ingersoll is 100 percent frank when he says he doesn't have any idea where Mr. Anderson got his story, because you are aware, are you not, that there does exist a raw intelligence report which is alleged to be the basis for this story?

Mr. INGERSOLL. I am not at liberty to discuss the source of these rumors.

Mr. SOURWINE. Not having any idea about it is one thing, but not being at liberty to tell us is another.

Mr. INGERSOLL. I don't know where Mr. Anderson received his information.

Mr. SOURWINE. Didn't Mr. Anderson's man attend a press conference that you held?

Mr. INGERSOLL. I was not present at that press conference.

Mr. SOURWINE. You personally were not present. Do you know about the conference?

Mr. INGERSOLL. I am aware of the conference. My information is thirdhand as to what happened at that conference.

Mr. SOURWINE. But you can't give this committee any information about the report that was the subject of so much discussion at that conference?

Mr. INGERSOLL. No, sir. All I can say is there were a number of rumors floating around Thailand and elsewhere in Southeast Asia about that time.

Mr. SOURWINE. We are not talking about rumors floating around Thailand; we are talking about raw intelligence to reach Washington from an official intelligence source.

Mr. INGERSOLL. Well, we certainly have received word of these rumors and I guess that would be classified in the form of raw intelligence; yes, sir.

Mr. SOURWINE. I see.

Thank you, Mr. Chairman.

Senator GURNEY. Thank you, gentlemen.

All right, General Walt, go ahead.

General WALT. Mr. Chairman, I believe that anyone who wants to make charges against the Thai Government has, in fairness, the obligation to give them credit for all of their positive accomplishments during this past year. Having listed the accomplishments fully—and I have only listed them in part here—it may still be possible to argue that the Thai Government is not doing enough; it clearly will not be possible to argue that they are doing nothing or next to nothing in this problem.

A final footnote, sir. In Chiang Mai, Prince Phisidet, who was in charge of the King's hill tribe program, told me that he had 25 Meo

villages on relief, and was having to furnish rice to them because, for the first time, the opium merchants had failed to make the rounds of the village to pick up and buy the opium.

His explanation was that the merchants are in a state of disarray as a result of the Government's crackdown on this matter. This reading of the situation has since been confirmed to me by a reliable American source.

Mr. Chairman, now I would like to go to the country of South Vietnam.

When the heroin epidemic broke in June 1970, it caught both the American authorities and the Vietnamese authorities completely unprepared. New programs and new command structures and new techniques had to be devised, starting almost from scratch, to deal with the epidemic and to bring it under control.

The rapid rate of American withdrawal makes scientifically accurate judgments difficult. There is, nevertheless, no question but that we have made enormous progress in dealing with the problem. My associates and I were enormously impressed by what we saw of the urine-testing program, the detoxification program, the rehabilitation program and the educational program that is going on in South Vietnam today. Because it would take too much time to describe these programs adequately to the subcommittee, I plan to submit a written report covering this aspect of our findings later on, sir.

We were also favorably impressed by the concrete evidence of progress made by the Government of Vietnam over the past year in developing its interdiction and law enforcement capabilities.

Under the French administration the production and sale of opium was a governmental monopoly operated by the Directorate General of Customs and Excise, and opium dens were legally operated under state license. One of the first steps of the Thieu government when South Vietnam became independent was to legalize all traffic in opium and close down the dens. While some of the oldtimers continued to smoke opium illegally, the problem in recent years has been limited to an estimated 50,000 addicts in South Vietnam, a very small number by Asian standards.

Because the problem did not appear to be of pressing importance on their own scale of priorities, the South Vietnamese Government had not developed any special narcotics apparatus at the time the heroin epidemic struck in June of 1970. They were caught unprepared, just as we were.

As I have pointed out previously, it took a number of months before we realized the magnitude of the epidemic and began to gear up to cope with it; and it took another few months before our own program began to move into high gear.

The Vietnamese did not lag very far behind us.

On May 18, 1971, by virtue of a presidential decree an interministerial committee was created under the Ministry of Justice, encharged with the responsibility of stopping the traffic in narcotics in South Vietnam.

In the same month, the Government launched a national antidrug campaign under the code name of "Vi-Dan" or "For the People," combining a public education program with a stepped-up enforcement campaign.

In Saigon I met with Adm. Chung Tan Cang, special assistant to the Prime Minister for the eradication of social evils, and Col. Cao Van Khanh, director general of customs.

I must say that I was impressed with their dedication and record of accomplishment over the past 18 months, especially when you consider how little they had to operate with in early 1971. A few figures will help to underscore the progress they have achieved:

In 1969, they seized 109 pounds of opium; in 1971 they seized 1,073 pounds of opium; in 1969 they seized 10 pounds of heroin; in 1971 the seizures totaled 271 pounds.

In 1969 they seized 4,712 pounds of marihuana; in 1971 seizures totaled 18,781 pounds.

In 1969 they made 2,911 drug arrests; in 1971 they made 6,474 drug arrests.

I heard on the news this morning, sir, that President Thieu has signed an edict now making the death sentence mandatory for the trafficker in dangerous drugs and narcotics.

There is reason for hoping that the performance of the Vietnamese police and customs will continue to improve over the coming period. With the help of the U.S. Customs advisory team, a small unit of customs intelligence officers has just been trained and dispatched to some of the border provinces where narcotics smuggling has been going on for some time.

To deal with the problem of military smuggling, the Government is planning to set up a Military Customs Corps, whose function it would be to inspect and control all military men, military vehicles, and warships coming from abroad.

One of the questions we asked our BNDD people was whether they could trust their South Vietnamese counterparts with narcotics intelligence, and whether they get action when they passed on information to the Vietnamese police or customs. They replied that not only did they get action, but that the Vietnamese police would frequently take a small case and develop it into a much bigger case as a result of their work. They would not walk with it; they would run with it.

We also asked about the question of corruption. They replied that corruption does exist at lower and middle levels, but that they have so far found no conclusive proof pointing to the involvement of top level military or governmental officials in this corruption. There was one general whom they ran a very careful but discreet check on because there was reason to suspect him. They found that he was involved in some other hanky-panky but not in narcotics.

They also told me that President Thieu has given his categorical assurance that if the American narcotics or intelligence community developed hard information about any senior governmental official or military officer, he would take immediate action against them, no matter how high their rank might be.

One final observation, sir. The Government of Vietnam has taken the stand that the heroin epidemic was a Communist operation. Under these circumstances, a Vietnamese officer or governmental official would stamp himself as the worst kind of traitor in the eyes of his countrymen if he were caught participating in the drug traffic, and this is a very powerful form of disincentive.

Sir, now I would like to bring up the topic of the heroin epidemic among the American Armed Forces in Vietnam.

In Vietnam the prime focus of our investigation was on the heroin epidemic among the American Armed Forces. We wanted to find out as much as we could about the epidemic itself and about the effectiveness of the countermeasures which had been instituted in the fields of detection, rehabilitation, and education.

The epidemic hit in the month of June, immediately after our Cambodian incursion had devastated the enemy sanctuaries and supply caches in the Parrot's Beak area. Almost overnight heroin of remarkable purity—94 to 97 percent—became available in unlimited quantities to the American Armed Forces in the greater Saigon area, initially at a price of \$1 a vial, later at an average of \$2 a vial. I am talking about a vial, sir, that small vial I had here this morning that contained anywhere from one-fourth of a gram to 0.15 or one-seventh of a gram, was selling for \$1 a vial.

Within 2 months the epidemic had spread to cover virtually the entire country.

Within a few months' time, death from heroin overdose among our servicemen climbed from two a month to almost 70 a month. There are varying estimates as to what percentage of our Armed Forces became involved in the epidemic, but certainly it ran into many, many thousands. Naturally, it varied from unit to unit. Maj. Jerome Char, psychiatrist for the 101st Airborne Division located in I Corps, estimated in a statement to the Senate Juvenile Delinquency Subcommittee that 40 to 50 percent of the men in his division had either experimented with or were hooked on hard drugs. Although the overall official estimate was substantially lower, it was clear that we were confronted with a situation of catastrophic dimensions.

The heroin was sold in the streets in plastic vials of similar manufacture, and all of the heroin was of closely related appearance and purity. At wholesale level, all of it was uniformly packaged in sealed, 135-gram plastic bags.

It is my information that the vials which first appeared on the streets of Saigon contained 0.15 gram, which is about eight times as much heroin as a New York addict takes in one injection. At a very early date, however, it begun to appear on the streets in quarter-gram or half-gram vials. In this country—here is a half gram here, sir—in this country a half gram of heroin would be enough for 25 injections for an addict.

Everyone was agreed that the operation appeared to be highly coordinated and centralized. Some people or some group must have established virtually simultaneous contact with scores of Chinese ethnic entrepreneurs and other criminal elements throughout South Vietnam and prepared them to receive large quantities of heroin, for distribution through the armies of street urchins, both boys and girls, who had up until then been merchandising marijuana for these sellers of drugs.

Senator GURNEY. How much would these half-gram vials cost in Saigon on the street?

General WALT. Starting—they were \$2 and then they got up to \$3 within a year's time.

Senator GURNEY. And how much would they cost in New York on the retail market?

General WALT. About \$200.

Senator GURNEY. About \$200?

General WALT. Yes, sir.

Senator GURNEY. So I take it the low price, according to your testimony, is indicative that it was some sort of a large-scale, coordinated program to get the heroin out at far below the usual cost in order to hook large numbers of our soldiers; is that correct?

General WALT. Mr. Chairman, I don't think they were selling it for profit; I don't think they were just selling it for material reasons and I indicate that here later on, sir.

Senator GURNEY. Go on, General.

General WALT. Apart from the fact that this kind of explosive, nationwide launching of a heroin sales promotion campaign is simply not in the pattern of criminal operations, the pattern I have described here raises two very basic questions:

If the operation was organized by some Asia Mafia, it would be natural for the profit motives to predominate.

Why, if the operation was criminal in origin, did they sell stuff that was 94 to 97 percent pure, when people manage to get high in New York on 10-percent heroin? Why didn't they dilute it?

Why did they sell it for \$1 or \$2 a vial on the street when no GI who was hooked or who wanted to experiment with heroin would have batted an eyelash at paying \$5. Cash was one thing the boys over there had—there was loose change. And it makes even less sense when one considers that in March-April, just before the epidemic broke, similar vials of impure quality were sold for \$10 to \$15 each.

This appears to be a program.

The economics of the heroin epidemic call for very careful scrutiny. While estimates of the rate of profit at different stages of the market vary considerably, it would appear reasonable to assume that the street urchins, in order to sell the vials for \$1, were able to purchase them for 50 cents. The markup in each stage of the sales process is substantially higher than this in the United States. Similarly, the wholesaler, in order to sell them for 50 cents, was probably able to purchase the heroin content for approximately 25 cents.

At the time the heroin epidemic broke, a kilogram of heroin in Bangkok was selling for roughly \$1,300 a kilo— $2\frac{2}{10}$ pounds—or \$1.30 a gram; a half gram, therefore, cost the master entrepreneur 65 cents, while a quarter gram cost 32 cents.

Whoever was selling heroin to the ethnic Chinese entrepreneurs in Vietnam at a price which permitted street sales at \$1 per vial was taking a heck of a beating financially; he wasn't making any money. They probably began to make some money, however, at the point where the street price of a vial went up to \$2. They at least broke even.

All of this just doesn't make sense from the standpoint of the criminal obsession with profit. It does make sense, however, if the operation was political in origin, because then it would only be natural for the organizers to want to hook as many GIs as possible, as hard as possible, and as fast as possible, and to hook them, moreover, on a habit so expensive that they would have to engage in far more crime than the ordinary addict to feed the habit once they returned home.

The Communists had so much to gain from such an operation. First of all, it was clearly bound to have an immediate demoralizing effect on our forces in Vietnam. Second, it was bound to have a highly demoralizing, long-term impact on American society. Third, and perhaps most important in terms of the Vietnam war it was bound to provide grist for the mill of the "let's get out of Southeast Asia immediately" propaganda. At the height of the heroin epidemic the situation was so

bad that many parents who had previously backed the President's policy joined the clamor to get out of Vietnam, fearful that if we stayed there much longer all our American boys would return as drug addicts.

All of this so far is deductive. Hard evidence is difficult to come by. In Saigon, the MACV officer who briefed us told us that they had thus far found no hard evidence tying Hanoi or the VC to the epidemic. On this point I would like to quote the commentary of a senior general concerned with the drug problem in Vietnam :

How the hell do you get hard proof of the VC's movement of several hundred pounds of heroin into Vietnam when for years we were virtually certain but could not prove that they were moving thousands of tons of military supplies through the port of Sihanoukville?

Had the VC decided to organize the heroin epidemic which hit our forces in Vietnam in the summer of 1970, it stands to reason that they would not have had VC vendors in the streets; this they left to the street urchins and mama sans. Nor would they have been involved with traffickers at the next level up; this they left to the ethnic Chinese entrepreneurs who are traditionally willing to lend themselves to shady undertakings which promise a profit. If they played any role at all, it would have been far, far back on the other side of the Cambodian or Laotian frontier, operating through a handful of principals who could not clearly be tagged as Vietcong.

But the absence of evidence is not absolute; there are some items of definite evidentiary value.

We had occasion to examine the reports of interrogations with three different VC defectors who claimed to have knowledge relating to large-scale opium cultivation in North Vietnam and, in one case, of Vietcong involvement in the heroin epidemic.

One defector who came over on August 25, 1971, said that while he was attending the COSVN military-political school in May of 1970, that is, at the time the heroin epidemic in South Vietnam was breaking, he had participated in some frank discussion on the North Vietnamese use of drugs as a direct means of undermining the morale and efficiency of U.S. forces. COSVN, I should point out, stands for the Central Office for South Vietnam. This is the secret Communist headquarters which has been masterminding the entire war in South Vietnam.

The defector said, among other things, that North Vietnamese combat reconnaissance activities were often undetected because security forces at defense installations were visually impaired by the use of drugs. While he had no direct knowledge of how the drugs were distributed in South Vietnam, the interrogator, in a summary statement, said that the defector was cooperative and appeared sincere throughout the interrogation and that control questions revealed no attempt to deceive the interrogator.

Two other ralliers, one of them a graduate of the advanced cadre training school in Yen Bai Province, North Vietnam, claimed to have seen large-scale opium cultivation in some of the northern provinces of North Vietnam.

All the senior Vietnamese officers with whom I discussed the matter are convinced that the heroin epidemic was essentially political rather than criminal in origin. They are convinced, in short, that the Communists were behind it and that they were using it as a weapon against our Armed Forces.

This conviction is shared by a number of American officers of general rank who have been concerned with the drug problem, and also by other high-ranking officials.

In traveling around the world I also encountered a number of senior Western officials who follow the world drug situation closely and who told me confidentially that they were convinced from the circumstances of the Vietnamese epidemic that the Communists were behind it.

Certainly the evidence points to the need for an intensive study of the origin and nature of the heroin epidemic among the American Armed Forces in Vietnam.

Mr. Chairman, I hope that my remarks have thrown some light on this extremely complex situation.

I have a few recommendations to make in closing :

My first recommendation has to do with Burma, or the "Burmese factor" as I have called it.

The situation in northern Burma affects the entire free world. If the Burmese Government is unable to assert its sovereignty and enforce its own laws in the area, then perhaps the time has come to call for some kind of international action under U.N. auspices to deal with the situation.

On the subject of the criminal factor, we are moving on several fronts in the right direction. We are helping our Southeast Asian friends to upgrade their customs and police capabilities, partly through an intensive training program, partly through the provisions of jeeps and communications equipment, and technological assistance of various kinds. We are also developing more effective intelligence by offering rewards that are highly tempting to accomplices at the second and third levels.

We must move more rapidly to reduce the world acreage under poppy cultivation through crop substitution and other programs. I have the impression that the U.N. Fund for Drug Abuse Control could be a much more effective vehicle in this field. I shall have more to say on this subject when I testify after Labor Day.

Finally, there is the difficult problem of corruption. Part of the answer can be found in upgrading the poverty level salaries of those engaged in law enforcement in Southeast Asia so that they will be less susceptible to temptation.

The other part of the answer will have to be found in a new commitment by the governments involved, and I would not exclude our own, to ruthlessly eradicate corruption from all areas of law enforcement because in combating the world drug epidemic, corruption is an indulgence which society can no longer afford.

Thank you, Mr. Chairman.

Senator GURNEY. Well, thank you, General Walt, for the very thorough, extremely interesting, and very instructive and constructive statement. Certainly it has thrown a whole lot of light on what is going on in Southeast Asia, a very dangerous business.

General WALT. Thank you.

Senator GURNEY. And we look forward to your full report when the committee reconvenes after our recess for the Republican Convention.

Again, thank you, General Walt, and the subcommittee will adjourn subsequent to the call of the Chair.

General WALT. Thank you, Mr. Chairman.

(Whereupon, at 3:40 p.m., the hearing was adjourned, subject to the call of the Chair.)

I N D E X

(NOTE.—The Senate Internal Security Subcommittee attaches no significance to the mere fact of the appearance of the name of an individual or organization in this index.)

	Page
A	
Afghanistan	3, 12-14
Agency for International Development	47
Anderson, Jack	3, 45, 47, 48, 50-52
Anderson-Eagleton	48
Asia	6, 11, 19
Asian Mafia	56

B	
Ban Dan	23
Ban Houei Sai	21, 23
Bangkok	18, 27, 31, 35-37, 39, 45, 47, 56
British Colonial Office	27
British Foreign Office	27
Bureau of Drug Abuse Control	44
Bureau of Narcotics and Dangerous Drugs (BNDD)	3,
	6, 7, 30, 35-37, 42, 44, 45, 47, 48, 54
Burma	13-19, 21, 28, 30, 37, 58
Burmese Communist Party	16
Burmese Government	16, 17, 20, 58
Burmese Self-Defense Force (KKY)	17, 18

C	
Canada	12
Cang, Adm. Chung Tan	54
Canton Harbor	37
Central Asia	9
Central Office for South Vietnam (COSVN)	57
Char, Maj. Jerome	55
Chiang Kai-shek	17
Chiang Mai	26, 27, 37-41, 45-47, 52
China	27, 28
China, People's Republic of (mainland China)	11, 13, 14, 29, 32
Chinese Emperor's Commission	37
Chinese Irregular Forces (CIF)	17, 18, 31-33, 37, 38, 47
Chinese Nationalist	17
CIA (Central Intelligence Agency)	45
Coleridge, Samuel	10
Communist	2, 13, 15-17, 20, 21, 27-29, 56-58
"Confessions of an English Opium Eater" (book)	10
Congressional Record	4
Cook, Senator Marlow W	1

D	
Davis, True	48
DeQuincey, Thomas	10
Directorate General of Customs and Excise	53

(I)

	Page
E	
Eagleton, Senator.....	3
Eastland, Senator James O.....	1-35
Europe.....	11, 12
Excise and Customs Department, Thai.....	38

	Page
F	
Far East.....	3, 9, 27
Florida, State of.....	44
Foreign Assistance Act.....	47
Food and Drug Administration.....	44
Fort Gordon, Ga.....	44
France.....	4, 12
Frankfurt, Germany.....	44, 45
French Government.....	11

	Page
G	
Geneva.....	27
Germany.....	4, 12
Gillies, H. Wayne.....	3, 14, 29, 35
Godley, Ambassador.....	22-24
"Golden Quadrangle".....	14
Golden Triangle.....	3, 14, 16, 20, 38, 39
Government of Thailand.....	3
Great Britain.....	38
Gurney, Senator Edward J.....	1-58

	Page
H	
Hanoi.....	20, 27, 57
Harrison Act.....	11
Hawaii.....	3
Holmes, Sherlock.....	11
Hong Kong.....	3, 13, 18, 21
Houston, Tex.....	3

	Page
I	
Imperial China.....	37
India.....	3, 12, 13, 15
Ingersoll, John.....	3, 35-52
Interministerial Committee for Narcotics Control.....	22
Iran.....	4, 14, 15
ITT.....	3

	Page
J	
Japan.....	8
Judiciary Committee.....	47

	Page
K	
Kabul, Afghanistan.....	12
Kachin State.....	16, 17, 45, 46
Khamhou, General.....	24
Khanh, Col. Cao Van.....	54
Kleinendienst, Richard, Attorney General.....	3
KMT forces.....	37
Koles, Joseph.....	35-52
Kriangsak, General.....	38, 40
Kuomintang.....	17

	Page
L	
Lahus.....	24
Lampoon.....	30, 32
Laos.....	3, 5-7, 13, 14, 16, 19-24, 26, 28, 29, 37
Government of.....	22, 23, 29

	Page
Laotian Armed Forces.....	22
Laotian Army.....	21
Laotian Government.....	21
Laotian Legislature.....	22
Lashio.....	17
Latin America.....	2
Library of Congress.....	35
Lin, Commissioner.....	39
Luangraj, Chanthaboun.....	22

M

MACV.....	57
Manivong, Tiao Mankhara, His Royal Highness.....	22
Marseilles.....	12
Martin, David.....	3, 14, 20, 21, 24, 28, 29, 35
Marxist.....	16
Meos.....	20, 23, 24, 27, 29
Mexican Government.....	12
Mexico.....	4, 12, 13, 14
Middle Asia.....	3
Military Customs Corps.....	54
Ministry of Justice.....	53
Mussorgsky, Modeste.....	10

N

Nationalist China.....	17
Nationalist Chinese.....	45
Nationalist Government.....	17
Nepal.....	12
New York City.....	1, 5, 8, 9, 31, 55, 56
New York Times.....	4, 5, 24
Nixon, President.....	3
North Vietnam.....	11, 13, 21, 57
Communists.....	23
North Vietnamese Army.....	21

O

Okinawa.....	3
101st Airborne Division.....	55

P

Pakistan.....	3, 14
Pao, Gen. Vang.....	22, 23
Parrot's Beak.....	55
Pathet Lao.....	20, 23
Peace Corps.....	27
Peking.....	16, 17, 27
Peking Government.....	14, 15
Philadelphia.....	10
Phisidet, Prince.....	26, 52
Phong Saly Province.....	20
Phouma, Souvanna, Prime Minister.....	22, 24
Plaines des Jarres.....	20
Poe, Edgar Allen.....	10
Posayananda, Chit.....	27

R

Rathikone, Gen. Quan.....	21
Red Flag Communists.....	16, 17
Royal Thai Army.....	30, 33, 40
Supreme Command Headquarters.....	47
Rush, Dr. Benjamin.....	10

	S	Page
Saigon	10, 14, 30, 54,	55, 57
Samneua Province		20
Scott, Samuel J.		1
Senate Juvenile Delinquency Subcommittee		55
Shan		45, 46
Shan minorities		16, 17
Shan State		17
Singapore		18
Singharaj, Nith		22
South Korea		3
South Vietnam	1, 3, 14, 53,	55, 57
Southeast Asia	2-7, 9, 10, 12, 13, 15, 16, 18, 22, 29, 37, 38, 48, 52,	56, 58
Sourwine, J. G.		1-58
Soviet Union		12, 13
Spain		12
Special Testing and Research Laboratory, Washington, D.C.		38
State Department		45, 47
Subcommission for Repression of the Narcotics Traffic		22
Subcommittee on Internal Security		2, 3, 47

	T	
Tachilek area		18
Taiwan		3
Tallahassee, Fla.		44
Thai-Burma-Laos border		45
Thai Government	25-27, 30, 37, 46, 47,	52
Thai Opium Bonfire Mostly Fodder (article)		45
Thailand	3, 6, 7, 13, 14, 16, 17, 19-21, 23-26, 28-32, 37, 39-41, 47, 51,	52
Government of		6, 22
Thieu, President		54
Thurmond, Senator Strom		1, 7-9
Triad societies		15
Turkey	4, 5, 12-15,	38

	U	
United Nations (U.N.)	13, 15, 26, 27, 30,	58
Committee for Drug Abuse Control		30
Fund for Drug Abuse Control		26, 58
Single Convention on Narcotics, 1961		15, 18
United States	1, 2, 4, 7, 10, 11, 13, 15, 20, 30, 31, 44-47,	56, 57
Armed Forces		55, 57
Armed Forces in Vietnam	2, 54,	58
Army		44
Criminal Investigation Laboratory, Frankfurt, Germany		44
Customs		54
Embassy in Bangkok		47
Government of		30
Marine Youth Foundation		2
Mission Drug Committee		57
Utah		1

	V	
"Vi-Dan" (For the People) (code name)		53
Vientiane		20, 22
Vietcong (VC)		27, 57
Vietnam	5-7, 15, 21, 22,	55, 57
Government of		6, 22, 53, 54
Vietnam war		2
Voice of Free Thailand		27

	W	
Walt, Gen. Lewis W.		1-58
Wanzeck, William		35-52

	Page
Washington, D.C.-----	45, 62
Washington Post (newspaper)-----	45
Western World-----	14
White Flag Communist Party-----	16, 17
Williams, I. M. G.-----	27
World War II-----	27

X

Xiangkhoang Province-----	20
---------------------------	----

Y

Yaos-----	20, 24
Yen Bai Province, North Vietnam-----	57
Yunnan Province, China-----	14, 16

