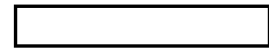


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

China and International Narcotics Control



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NARCOTICS

CONTROL

"Poisoning the Chinese people with opium was a pernicious means employed by imperialism in its attempt to subjugate the Chinese people.... We have within a short period of time eradicated the serious poisonous effects of opium smoking throughout the country brought on exclusively by imperialism over the past century and more. This fully demonstrates the firm determination and explicit policy of the Chinese government and people and also shows the superiority of the socialist system in solving problems in this field."

(Speech of Chinese delegate Wang Jun-sheng to the Social Committee of the 52nd Session of the UN Economic and Social Council, 16 May 1972)

In a speech on 16 May, China's representative to the UN Economic and Social Council indicated that his government was considering participation in international attempts to control the production and consumption of narcotics. He placed China on record as supporting strict control of narcotics. It is China's position, he said, that each afflicted country should, through its own efforts, strengthen domestic controls and educate its people on the dangers of drug abuse. Nevertheless, the Chinese delegate left room for China's participation in international narcotics control by saying that Peking is willing "to give serious attention to the attainment of certain joint feasible international agreements and the exertion of joint efforts on the basis of respecting the sovereignty of various countries."

Other Chinese representatives have recently told UN officials in private that the question of active participation in UN drug control work is "under study" in Peking. They have said that while China continues to adhere to the Opium Convention of 1931, it does not consider itself bound by similar instruments signed in China's name by the Chinese Nationalists at the UN. Peking may be contemplating signing of the recently amended Single Drug Convention of 1961, cooperating with the International Narcotics Control Board, and contributing to the UN Drug Fund. As a classic historical example of a "victim country," China might, for the benefit of the international narcotics control efforts now under way, disseminate its experiences in solving its domestic drug problem. It is doubtful, however,

that many countries would be willing and able to adopt the harsh measures employed by Chinese Communists. From the point of view of Peking, such participation would help to offset efforts on the part of Nationalist China and the USSR to portray China as a ringleader in the illicit narcotics traffic.

Opium: "Imperialist Instrument"

More than a century of unhappy experiences has given the Chinese an aversion to opium—and by extension, all narcotics—that contrasts markedly with the more usual Asian view of its use as a minor social vice.

In the early 19th century, the British solved a trade imbalance with China by producing opium in India and promoting its sale to China. The Chinese were already acquainted with the drug. Opium sold so well in China that by the 1830s, the British deficit had been replaced by a trade surplus in the form of a large drainage of silver out of China. Alarmed by the financial loss and morally outraged by the rapid spread of opium addiction, the Manchu dynasty, which ruled China at the time, determined to cut off opium imports. The seizure and burning of opium belonging to British traders in the Canton region set off the so-called Opium War of 1839-42. China was defeated in its attempt to cut off the opium trade, and opium came to be regarded as an instrument of "imperialist aggression." Cultivation of opium poppies in Manchuria during the Japanese occupation of the 1930s reinforced the

Chinese tendency to associate opium use with "imperialism."

When the People's Republic of China was established in late 1949, its leaders moved quickly against opium traffickers and the huge addict population, then possibly the world's largest. The elimination of addiction was regarded as symbolic of the freeing of the Chinese people from foreign bondage as well as a social and economic necessity. On 24 February 1950, the State Administrative Council issued an order, *Concerning the Strict Prohibition of Opium and Other Narcotics*. The order specified that anti-opium measures be initiated in an area the moment military operations had been completed. Government organs at all levels then proceeded to set time limits within which owners could turn in opium stocks for compensation and addicts could register for treatment of their habits. Severe punishments, including summary shootings, were meted out to those who did not comply.

The initial anti-opium measures were softened for the ethnic tribesmen in the southern border regions. The life patterns of these tribesmen were intricately bound up with opium cultivation, and the regime wished to gain their loyalty. For them, Peking set elastic time limits, based on local circumstances, for abolishing cultivation or shifting to cultivation under government auspices. By the mid-1950s private cultivation and consumption of opium had been effectively eliminated in all parts of China.



The caption of this 19th century woodcut explains that in 1839, Imperial Commissioner Lin Tse-hsu burned 20,283 chests of opium belonging to foreign firms in the Canton area and later captured 23 boats used by foreigners to smuggle opium into China. His actions precipitated foreign intervention and war. The caption also exhorts the Chinese to think back upon these events and to eliminate the evils of opium.

SECRET**China An International Trafficker?**

In the past few years, China has been accused, largely by the Chinese Nationalists and the Soviets, of supplying the world illicit market with huge quantities of raw opium and its derivatives. Over the past three years, Nationalist China has inspired a number of articles throughout Asia purportedly documenting Peking's involvement in the illicit narcotics trade. In 1971 an exhibition was held in Taipei of narcotics said to be of mainland origin. These materials have often served as the basis for charges carried in the US press. The USSR, for its part, seems to have been responsible for the planting last year of a story quoting Chou En-lai to the effect that China was engaged in poisoning the free world in general, and US troops in Vietnam in particular, with opium. Soviet broadcasts to Africa in March and to Southeast Asia in May have portrayed China as an active participant in the illicit narcotics traffic. Most of the charges focus on the historical record of opium production in China and the foreign exchange earnings that Peking supposedly garners from the illicit export of opium.

Opium-Growing Capabilities

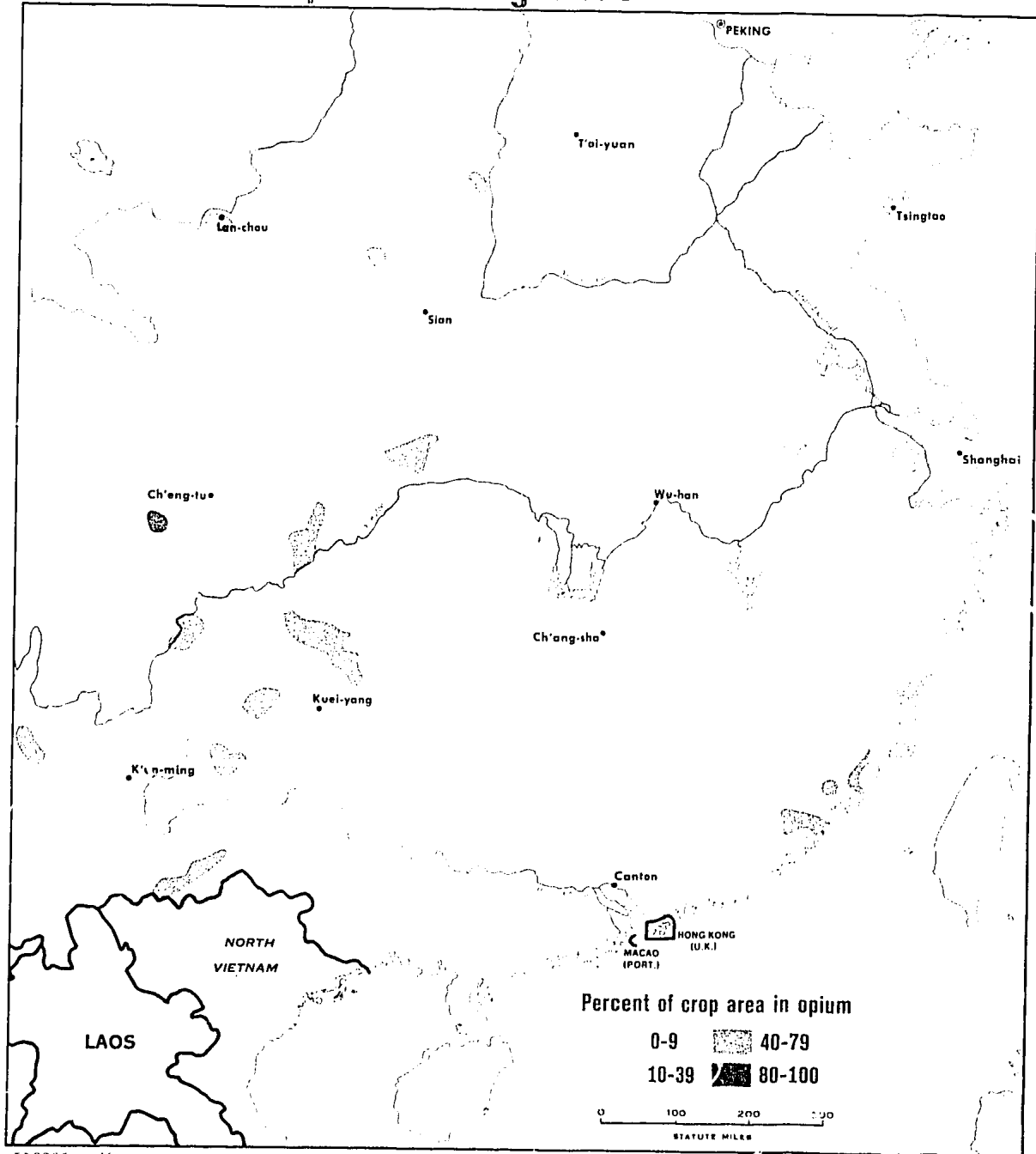
China has the capability to grow very large quantities of opium, and the suppression of domestic addiction was not designed to eliminate opium cultivation. Like other countries, China requires some opium for the production of pharmaceutical drugs. Peking may also have a maintenance program for long-term addicts who could not be cured of their habits.

Peking does not release data on the country's opium or pharmaceutical production, and a firm estimate is not possible. However, a minimum pharmaceutical requirement for opium in China can be inferred from data provided by other countries. Countries that subscribe to the 1961 UN Single Convention on narcotic drugs report data on licit opium production, consumption, and inventories to the International Narcotics Control Board. The board's figures yield the opium use findings listed in the chart below:

Country	Total Opium Consumption (tons of raw opium equivalent)	Approximate Consumption per million population (kg)
India	63	120
Japan	60.9	600
USA	188.8	930
USSR	425.0	1,770

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CHINA: Former Opium Growing Areas



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Of the four countries, India is probably the closest to China in the availability of modern public health and medical services. If Chinese pharmaceutical requirements for opium are comparable to Indian requirements, China's annual opium need would be only about 100 metric tons. At the other extreme, if China consumes as much medicinal opium on a per capita basis as the USSR, China's opium requirement each year would be about 1,500 tons. The acreage required to grow either amount would be only a fraction of a percent of the roughly 150 million hectares sown to all crops each year in China.

Communist troops occupied China's primary opium growing region in Yunnan Province in January 1950, but, since a special dispensation was

made for the ethnic tribesmen to give them time to adjust, a harvest was gathered in May-June 1951. This harvest may have amounted to some 2,500 metric tons—roughly equivalent to the total estimated amount of opium being produced in the world today for licit and illicit markets combined.

Private cultivation and consumption in Yunnan continued until 1956, when it was banned. Opium produced there had been consumed locally or sold through Burmese traders to buyers in Thailand. The quantities that found their way out of China, however, had apparently been small, and, because the sales were illicit, the government presumably had received no tax or other revenue.

Heroin seized in New York in November 1970 bearing the World Twin Lions trademark. This marking is known to date back to 1937, when it appeared in the Customs Agency Service Narcotics Manual and on bags of smoking opium originating from Macao, but now apparently is used by traffickers outside of Communist China. Narcotics bearing this trademark were seized on several occasions during 1971.



Opium as an Export Commodity

Although China retains a capability to produce large quantities of opium, China is not known to have sold opium on the licit market and probably has sold very little, if any. Furthermore, there is no evidence of sales to Japan which is urgently seeking additional sources of licit opium for its own pharmaceutical industry.

The particular Chinese aversion to opium may in itself be enough to bar opium sales abroad. Additionally, Chinese earnings from either licit or illicit sales of opium would not likely be large. In the licit market, the Chinese would have to compete with established suppliers such as India—which in 1970 provided 90 percent of total licit exports of 885 tons. Chinese sales would therefore be unlikely to exceed a few hundred tons. In the illicit market the earnings from 10,000 tons—China was once accused of peddling that amount—would be perhaps only a mere \$25 million. This is about equal to one percent of Peking's current export earnings. Furthermore, nothing like 10,000 tons of Chinese (or any other) opium could be absorbed by the world illicit market. Current estimates suggest that the world illicit market is using about 1,200 metric

tons of raw opium a year. This comes chiefly from Southeast Asian producing areas, where there appears just now to be a sizable surplus available, and secondarily from Pakistan, Afghanistan, and Turkey.

The draconian suppression of opium use in China, the small financial stakes in licit or illicit opium dealings, and the recent move towards cooperation in international narcotics control work all suggest that the Chinese regime is not now and is not likely to become a factor in the illicit narcotics traffic. Positive proof of this negative proposition is, not surprisingly, lacking. For example, narcotics have been seized bearing mainland brand markings with histories dating back to at least the 1930s, but there is evidence that traffickers in Southeast Asia have appropriated the brand names for their own locally produced products. Narcotics traced back to Hong Kong, whose proximity to the mainland led some observers to suspect that China was implicated, turned out to have originated in Southeast Asia. The many sources that provide information on world illicit narcotics developments have so far failed to unearth good evidence of official Chinese involvement in the drug traffic.