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# International Narcotics Situation Report

February 1990

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**International Narcotics  
Situation Report**

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*This Situation Report is prepared by the DCI Counternarcotics Center, with contributions from other offices. It assesses narcotics-related developments worldwide. The report leads with a short Perspective on a drug-related issue or trend that we believe is of special importance. The Perspective is intended to be speculative and to generate discussion. The Perspective is followed by feature articles, and the remainder of the report examines various dimensions of the drug problem by region. Questions and comments are welcome and should be addressed to the [REDACTED] DCI Counternarcotics Center.*

## International Narcotics Situation Report

February 1990

### Perspective

#### Colombia: Broadening the Antidrug Offensive

Renewed calls by Colombian political and religious leaders for a dialogue with the traffickers may intensify if Medellin drug kingpin Pablo Escobar is captured or killed by the government or, indeed, by his rivals from Cali or elsewhere. Those taking such a position would note that Escobar's removal, following the death of Rodriguez Gacha in December, rids the country of the two most violent drug traffickers and fulfills Bogota's avowed goal to bring them to justice. This tack would garner strong public backing and intensify the already significant pressure on President Barco to draw down operations. To do so, however, would largely offset the achievements of the past six months. A drawdown would not only pave the way for the Medellin organizations to rebound but would also remove any government challenge to the less notorious—but more insidious and extremely dangerous—syndicates from Cali and the north coast, which continue to account for much of Colombia's cocaine trade.

Support for the government has so far generally reflected a broad understanding that the violent tactics of the Medellin traffickers are a threat to Colombia's security. The death of Rodriguez Gacha in a firefight with security forces and the government's subsequent pledge to pursue his equally dangerous cohort, Pablo Escobar, won Bogota high marks at home and abroad for its commitment to confront the kingpins. Nevertheless, Escobar's passing from the scene is not likely to achieve one of Bogota's key goals: to quell drug-related violence in Medellin—scene of some 18,000 murders during the 1980s—or elsewhere. Many of Escobar's subordinates and rivals reportedly are paramilitary specialists who have headed rural defense groups and assassination squads. We believe a power vacuum would generate additional violence and intimidation as would-be successors line up associates and authorities to further their individual goals.

Traffickers from Cali, the north coast, and elsewhere meanwhile have been spared the same level of government pressure devoted to the Medellin organizations largely, we believe, because they historically have used less confrontational tactics in blunting counternarcotics operations. Nevertheless, these organizations, which generally rely on bribery rather than intimidation and stay out of the direct political limelight, represent an equally dangerous threat to Colombia's democratic institutions, particularly discernible through their penetration of economic, political, and security interests.

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[REDACTED] In a recent article written by Gilberto Rodriguez Orejuela, the Cali kingpin reminded the public that attempts to seek his extradition were invalid because he has already been tried and acquitted in a Colombian court of the charges pending against him in the United States. [REDACTED]

Although few of these traffickers have overtly challenged Colombia's political structure by trying to win elective office the way Pablo Escobar sought a Senate seat several years ago, they do protect their operations by maintaining strong ties to key government and congressional figures. [REDACTED]

[REDACTED]

In our judgment, the threat posed by traffickers outside of Medellin is especially pronounced in their penetration of security forces, enabling them to avoid government operations without having to rely heavily on violence and intimidation.

[REDACTED]

[REDACTED] Moreover, we believe that the recent release of two well-established north coast traffickers shortly after top local National Police Commanders were replaced further underscores the tight grip narcotics interests in this area have on the security forces. [REDACTED]

Violence, nevertheless, remains one of their options. [REDACTED]

[REDACTED]

[REDACTED] Cali traffickers are meanwhile reportedly prepared to act violently if necessary. [REDACTED]

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## The Cocaine Industry: Challenges Ahead

The Latin American cocaine trade is facing its most serious challenge yet from counternarcotics forces, but its enormous power, flexibility, and built-in defenses will enable it to remain the preeminent drug threat to the United States and other Western countries well into the 1990s. The ability of the Colombian Government to sustain the offensive initially launched in August 1989 against the kingpins who manage and finance much of the industry has put them on the defensive, even though [REDACTED] that overall cocaine flows to the United States remain unchecked. The ability of the trade to rebound after voluntarily drawing down some operations during the first six weeks of the crackdown reinforces our belief that Colombia's efforts alone will not be enough to cripple the industry and prevent cocaine production and marketing from expanding to new areas. In this regard, the central roles played by traffickers in all the Andean countries, as well as support from drug interests in other nations, facilitate continued industry adjustments to antinarcotics pressure. Moreover, the trade—buttressed by broad-based corruption and the region's traditional economic inequities—remains well-positioned to resist anything short of an intensified internationally coordinated effort to dismantle its key production, trafficking, and financial networks. [REDACTED]

At this point, the wild card in the Latin American cocaine situation is the Colombian crackdown. In our judgment, this effort has been especially notable because, for the first time, a Latin American government has followed a comprehensive strategy to dismantle the leading Colombian networks—responsible for managing much of the expanding international cocaine trade—by apprehending the kingpins and their lieutenants, as well as seizing their records and communications centers. The effort has already resulted in a number of successes, including the death of one of the world's most notorious kingpins, the extradition of several of the industry's top lieutenants to the United States, and the confiscation of millions of

dollars worth of trafficker assets. Moreover, virtually all of the kingpins have had to lower their profiles, and some have been forced underground to avoid extradition or death. The pressure has increased trafficker concern—in source and market areas well beyond Colombia—over mounting threats against heretofore smoothly functioning drug operations. [REDACTED]

Encouraging though these developments may be, the trade's capabilities remain largely intact. The industry's strength is especially apparent in the vast areas of territory effectively under its dominion. These include the Upper Huallaga Valley and other areas of Peru; the Beni, Chapare, and Santa Cruz regions of Bolivia; and parts of central and southeastern Colombia. Given the hardiness of the coca bush and the vast profits its exploitation generates, we believe that cultivation could spill over into other areas of Latin America, thereby further insulating the trade from concerted unilateral antinarcotics initiatives. There are already small areas of coca cultivation in countries such as Ecuador, Venezuela, and Brazil. [REDACTED]

Even without such expansion, however, the industry produced more than 250,000 metric tons of coca leaf in 1989. If all were converted, this would amount to some 700 to 900 tons of cocaine, well above the 100 tons many estimate is required to satisfy the annual US market. About half of this coca leaf comes from Peru, which is the world's largest coca producer. The other two Andean players, Colombia and Bolivia, perform equally important and complementary roles. The Colombian industry, which grows less coca than the Bolivian and Peruvian industries, generates huge revenues from the more lucrative processing and marketing operations. Bolivia, the world's second-largest coca grower, has a drug infrastructure that engages in both cocaine processing and marketing. [REDACTED]

### Steps in the Production of Cocaine Hydrochloride

#### "Bazuko"

The "Bazuko" is a mixture of cocaine hydrochloride, talc, and other substances. It is a common street name for cocaine.

#### "Crack"

"Crack" is a form of cocaine that is sold in small, white, rock-like pieces. It is produced by heating cocaine hydrochloride to remove the water, resulting in a more potent form of the drug.

**Coca Leaves**

The conversion of coca leaves to coca paste generally occurs in small, makeshift laboratories in the countries of origin: Colombia and Peru. The leaves are placed in sodium bicarbonate solution for three to four days, after which they are dried and filtered to form coca paste.

**Coca Paste**

In slightly more sophisticated laboratories in Colombia, Bolivia, Peru, and Ecuador, Brazil, and possibly Argentina, Venezuela, and Chile, the paste is dissolved in sulfuric acid, filtered, and then evaporated. The solution is then treated with potassium permanganate, ammonia, and other chemicals, and the solution is allowed to crystallize to form base.

**Cocaine Base**

Cocaine base is converted to cocaine hydrochloride in small laboratories, however, the process is more sophisticated in larger laboratories in Brazil, Argentina, and Chile. The base is dissolved in water and then treated to remove impurities. The resulting solution is concentrated and then treated with hydrochloric acid to precipitate crystallized cocaine hydrochloride, which is then dried and sold.

**Cocaine Hydrochloride "Pure/Cocaine"**

The final step—usually at the retail level—involves cutting or diluting the pure cocaine with other materials, such as talc or other materials, to create a "cut" cocaine, ranging from 12 to 80 percent pure. Retailers are increasingly reconstituting the crystallized cocaine into an even purer, tasteless, and more addictive product called "crack."

**Street Cocaine**

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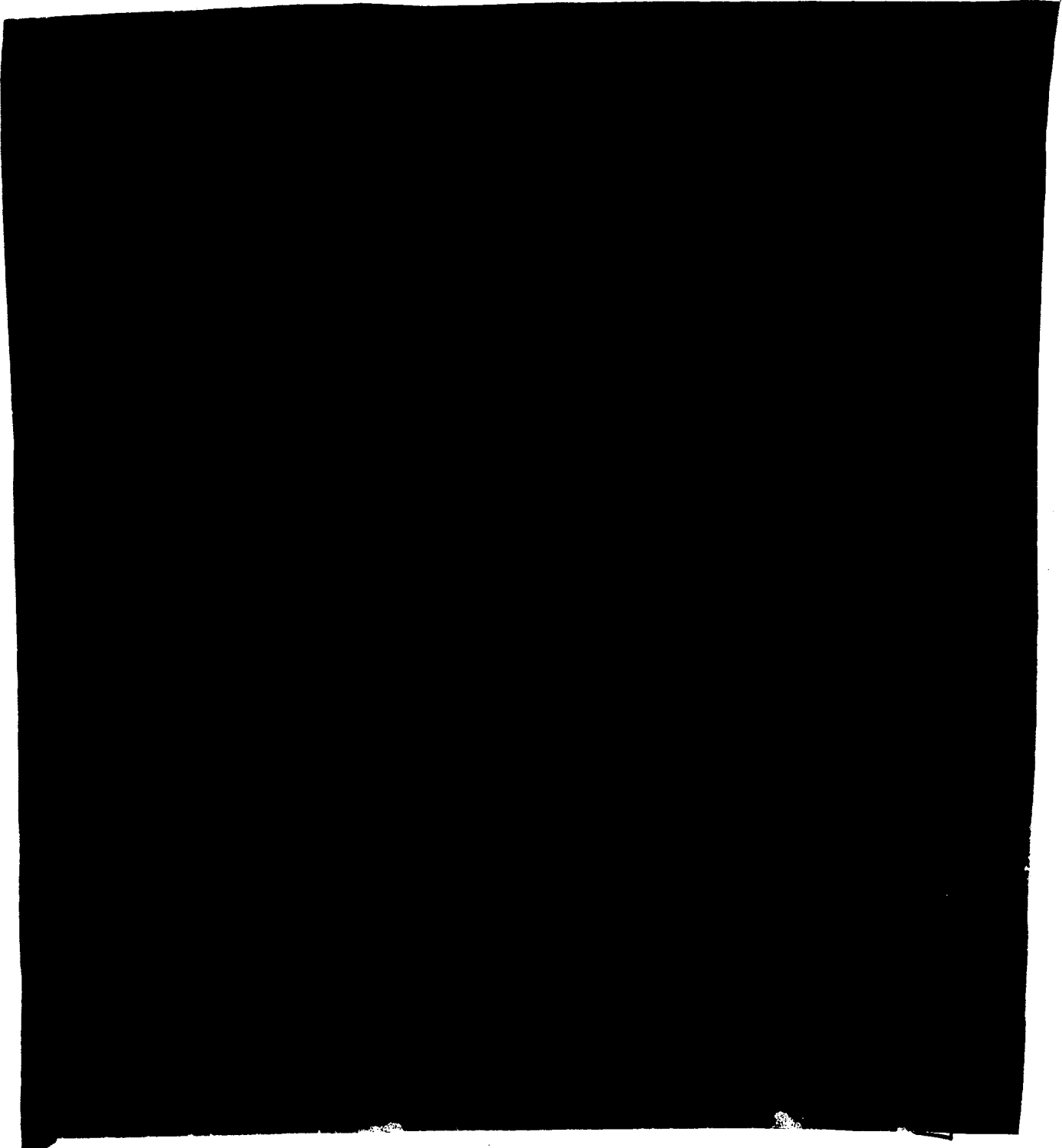
The industry's complementary operations are especially evident in the three-step process by which coca leaves become cocaine hydrochloride (HCl), or pure cocaine. After the leaves are harvested, growers in Peru and Bolivia extract coca paste from them in crude laboratories that are little more than pits dug in the ground and lined with sheets of plastic.

there are more than 1,000 such paste laboratories in Bolivia, located almost exclusively in the Chapare region. The number of facilities in Peru is significantly higher because of its greater cultivation. Most Peruvian coca products are transshipped to Colombia for refining into cocaine. In Bolivia's case, however, large amounts of the paste are processed into cocaine base at conversion sites usually outside cultivation areas. Some Bolivian cocaine base is subsequently flown to the Llanos region of southeastern Colombia for final processing, although increasing amounts are refined in Bolivia as local traffickers seek larger profits. Colombian processing operations are meanwhile entrenched throughout the country, in urban as well as in rural areas.

Colombia's 200-plus drug organizations are the prime movers in bringing the cocaine HCl to market, probably accounting for some 80 percent of the cocaine that is trafficked throughout the United States. At this point, The Bahamas remains a key transshipment link.

We believe the growth that has catapulted cocaine into a multibillion-dollar business that currently may involve up to 1 million Latin Americans will continue during the next few years. In our judgment, the United States will remain the key target for cocaine traffickers, but we also expect the industry to focus on Western Europe, whose approximately 300 million inhabitants already are gaining greater access to cocaine.

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## Coca Cultivation: Continuing Expansion

Coca cultivation increased by 12 percent in the Andean region in 1989 according to our estimate, and the potential exists for substantial expansion in the 1990s—both in the Andes and in other tropical and subtropical regions around the world. Less than 1 percent of the land in South America that can agronomically support coca cultivation is under cultivation; and most of this [redacted] yielding more than 250,000 metric tons of coca leaf—is in Peru, Bolivia, and Colombia. If all of this leaf were processed, it could yield as much as 700 to 900 metric tons of cocaine [redacted]

### The Andean Ridge

For centuries, coca had been grown primarily along the eastern slopes of the Andes Mountains of Colombia, Ecuador, Peru, and Bolivia to support indigenous demand for chewing coca. It is now grown largely in Peru, Bolivia, and Colombia, and on a much smaller scale in Brazil, Venezuela, and Ecuador [redacted]

Peru [redacted] is the largest coca producer in the Andean Ridge. [redacted]

[redacted] There are no ongoing counternarcotics eradication operations in Peru; therefore, growers can relocate and expand coca cultivation without fear of government interference. [redacted]

Bolivia has about 54,000 hectares of coca and ranks second to Peru in coca cultivation. [redacted]

[redacted] Increases in coca cultivation in Bolivia in the 1990s will depend in part on the ability of the new Bolivian Government to build on the recent success of its voluntary crop eradication program. Each month since September 1989 [redacted] a combination of internal and external antinarcotics efforts have apparently caused the price of leaf [redacted] to fall somewhat below the profit margin. As a result, more coca farmers have applied for funds through the Bolivian voluntary eradication program. We believe that future changes in levels of coca cultivation will depend heavily on whether prices remain depressed. If the price of coca leaf rises, we would expect to see further cultivation increases. [redacted]

[redacted] New cultivation would continue to follow [redacted]

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**Andean Region: Coca Cultivation and Production, 1985-89 \***

Thousands

Total	Hectares
	Metric tons
Peru	Hectares
	Metric tons
Bolivia	Hectares
	Metric tons
Colombia	Hectares
	Metric tons

\* Cultivation is reported in hectares and production in metric tons of dry coca leaf.

waterways and newly constructed roads into the jungle. [REDACTED] Coca cultivation in [REDACTED] is not likely to change significantly from year to year because it satisfies mainly legal consumption [REDACTED]

Colombia, the world's largest supplier of cocaine, ranks third behind Peru and Bolivia in coca production. [REDACTED]

[REDACTED] Coca cultivation in Colombia underwent a dramatic expansion in 1989— [REDACTED] to about 42,500 hectares. This expansion reflected substantial increases in all coca growing regions in Colombia. Bolivar had been a marijuana growing area before the Colombian eradication operations in 1988 caused many farmers in that area to switch to coca. [REDACTED]

Colombia's counternarcotics campaign is targeted primarily against traffickers and their assets and, to a lesser extent, processing labs and cultivation. Coca is

only eradicated when found colocated with a processing lab. Therefore, coca growers for the most part can operate in Colombia without fear of government interference, and coca cultivation will continue to expand in the 1990s. We expect that the largest increases in cultivation will occur in the Putumayo and Bolivar areas. [REDACTED]

**Potential Coca Cultivation Areas**

The potential worldwide coca growing area for both the upland and lowland coca varieties is enormous compared with the area now under cultivation. In South America alone, less than 1 percent of the land that could support upland or lowland coca is under cultivation. Although cultivation of coca for the cocaine trade has not been confirmed outside South America, there are large areas agronomically suitable for growing both varieties. These coca growing areas are in the tropical and subtropical areas of Mexico and Central America, Africa, Southeast Asia, and in the islands of Indonesia. [REDACTED]

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### **The Coca Plant**

Although there are more than 200 species of coca belonging to the tropical plant genus *Erythroxylum*, only two closely related species—*E. coca* and *E. novogranatense*—are cultivated for the illicit cocaine trade or for chewing. *Erythroxylum coca* is the primary source of cocaine for the drug trade because the extraction of cocaine from *E. novogranatense* is very difficult when field extraction methods are used.

The cultivation of coca—a perennial plant—is restricted to regions of the world that are humid (80 to 90 percent average relative humidity), frost free, with a mean annual temperature between 18 and 25 degrees Celsius, and with average annual rainfall of 1,000 to 4,000 millimeters. *Erythroxylum coca*, the coca specie most important to the cocaine trade, consists of two varieties that are even more restricted geographically:

- *Erythroxylum coca* variety *coca*, an "upland" variety that is propagated from seed that grows only in elevations between 200 and 2,000 meters and is favored by porous, well-drained soils. The highest cocaine yields in upland coca are produced at 1,000 to 1,500 meters. The upland coca plant can be harvested three to four times a year, beginning 14 months after planting and continuing for as long as 20 years; the yield and alkaloid content of the leaves, however, diminish after 10 to 15 years.
- *Erythroxylum coca* variety *ipadu*, a "lowland" variety that can only be propagated from cuttings, grows best in poorly drained soils at elevations less than 200 meters. Lowland coca can be harvested three to six times a year, beginning six months after planting and continuing for three to four years. Potential cocaine yields for lowland coca are normally half those for upland coca.

Although the area agronomically suitable for growing coca is vast, factors other than agronomics place limits on where traffickers can expand or relocate their operations. The traffickers' choice is constrained by the existing transportation infrastructure, the extent of government control and the political will of the government to exercise this control, and the accessibility of labor needed to farm and harvest the coca fields.

#### **Infrastructure**

Coca products must be readily moved out of the growing region, and precursor chemicals for initial processing of coca leaves into paste and base must be moved into the region in large quantities. Because small-scale traffickers and coca farmers depend on existing labor and transportation systems, many of the projected coca cultivation areas, particularly in the jungle regions of South America, could be developed only by large trafficking groups with sufficient resources to offset initial infrastructure development costs.

#### **Government Control**

Extensive coca cultivation and trafficking are possible only where the government does not have the desire or the ability to exercise its control. However, corruption or intimidation from traffickers often co-opt those government forces stationed in coca-producing regions.

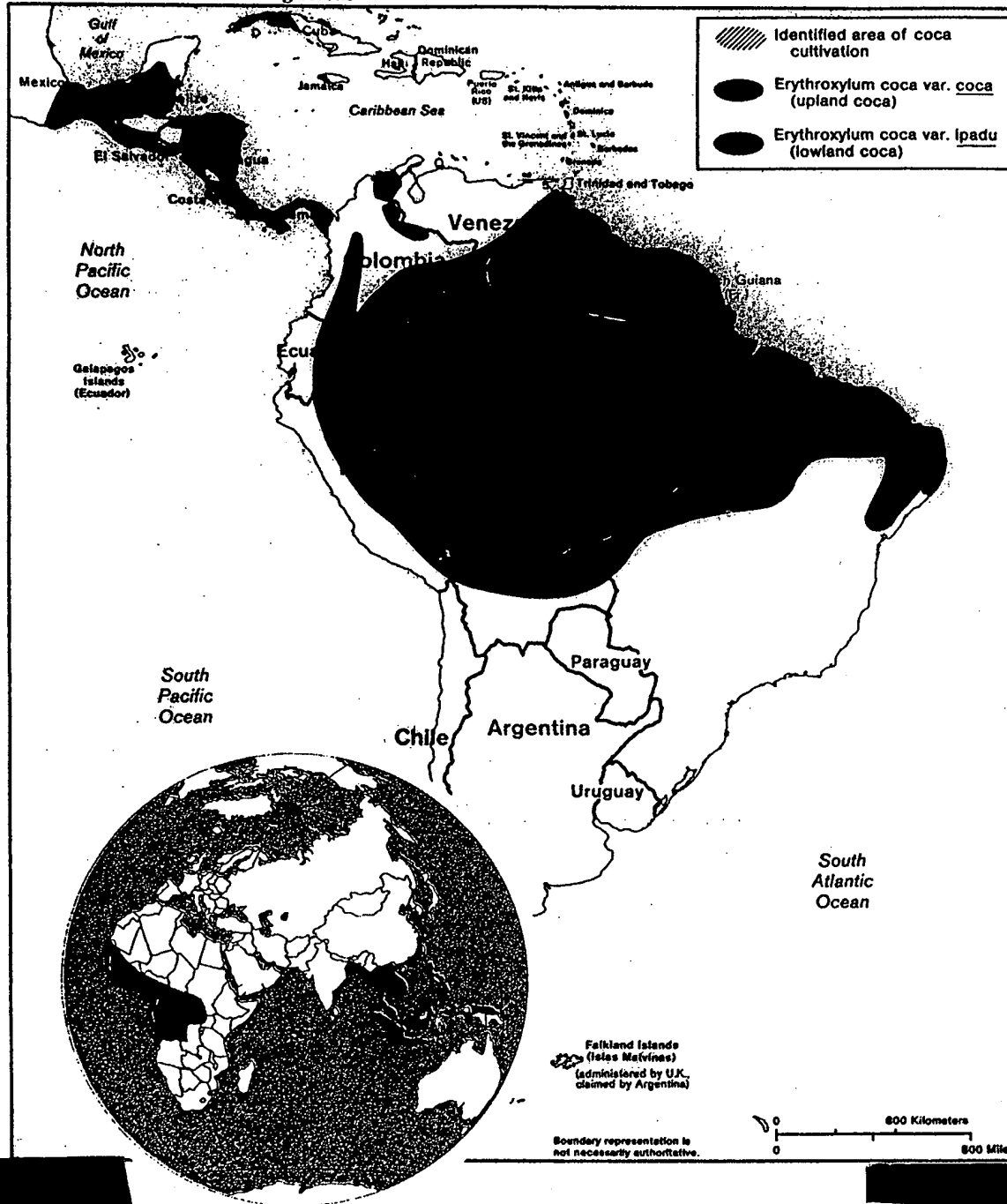
#### **Accessibility of Labor**

The cultivation of coca and the production of cocaine are labor intensive, and the accessibility of a large labor pool is a key factor in the selection of future production sites. We believe a sparse population has been a major barrier to the development of new cultivation areas in the jungle regions of South America.

#### **Outlook and Implications**

We have no indications that coca growers plan a major relocation of their efforts outside the traditional growing areas, but we believe a steady, if gradual, expansion of the area devoted to this crop can be

### Potential Illicit Coca Growing Areas



expected. The full impact of any expansion will not be felt for some time inasmuch as the highest yields do not occur for five to eight years after planting. We believe that traffickers are not likely to make a major shift unless pushed to do so by successful, prolonged narcotics crop control programs or interdiction efforts in the traditional areas. If a major shift is made, we believe traffickers in South America would initially relocate to other areas in the region. In the absence of a comprehensive counternarcotics program, the most likely shift—and one having the greatest potential impact on cocaine production—would be to the high-yield upland coca growing area along the eastern slopes of the Andes Mountains. This area, which represents about one-third of South America's potential coca growing area, is more favorable to expanded coca cultivation than the lowland growing area because of the availability of transportation systems and a substantial labor pool. However, if the Andean nations are successful in implementing comprehensive control efforts in the upland growing area, traffickers are likely to move more of their operations to the lowland area where the spread of cultivation is difficult to control. [REDACTED]

A major shift in coca cultivation outside South America is least likely but would be a move with potentially the greatest impact on cocaine production. Approximately 75 percent of the potential coca growing areas outside South America can agronomically support the cultivation of the higher yielding upland coca variety. These areas also favor rapid expansion, since the local governments, particularly in Africa, have no experience with narcotic crop control efforts needed to halt the spread of coca cultivation. In addition, these areas also have a sufficient labor pool and the substantial transportation infrastructure needed to support a sizable coca crop. [REDACTED]

## The Narco-Insurgent Connection in the Andean Region [REDACTED]

The relationship between narcotics traffickers and insurgents in the Andes has evolved largely because traffickers and guerrillas in both Colombia and Peru inhabit remote geographic regions that traditionally have been outside government control. At this point, insurgents in both nations profit financially from their participation in the industry, although their involvement has had only a marginal impact on the size and overall strength of the drug trade itself. We believe, however, that trafficker-insurgent friction will probably intensify in both Colombia and Peru, as traffickers become increasingly concerned over the guerrillas' efforts to expand their participation and with it, their share of illicit drug revenues. In Bolivia, where links between small subversive organizations and narcotics interests may exist, conflict could also develop [REDACTED]

The strongest insurgent drug ties are in Colombia, where [REDACTED]

[REDACTED] all subversive organizations have participated in the drug trade at one time or another. Currently, the 5,000-man Revolutionary Armed Forces of Colombia (FARC) is the most deeply involved, as initial efforts in extracting war taxes from coca growers and processors—in exchange for providing security for narcotics operations—have been augmented by a more direct role, including coca cultivation and refining. [REDACTED]

The relationship between the traffickers and the FARC has grown increasingly contentious, however, as the guerrillas have expanded their narcotics operations and challenged the traffickers in other ways. The Colombian military, which has long viewed guerrilla involvement in drugs as a justification for more aggressive counterinsurgent operations, claims that expanded FARC involvement in coca cultivation and refining has increasingly put the FARC in direct competition with some traffickers. Moreover [REDACTED] indicates that the insurgents

rarely have defended drug sites against government raids, thus reneging on their part of the bargain with traffickers. Some traffickers have reportedly refused to pay protection fees in insurgent-dominated regions and have formed paramilitary groups to offset insurgent influence in some areas. [REDACTED]

The Sendero Luminoso (SL) insurgency in Peru—which we estimate numbers fewer than 4,000 combatants—began its association with the narcotics industry in much the same way as the FARC, but its involvement in coca processing and transportation remain more limited than that of the Colombian guerrillas. We believe Sendero moved [REDACTED] in order to profit from narcotics revenues and to develop a support base among peasant coca growers unhappy with exploitation by traffickers and concerned about government counternarcotics operations. [REDACTED]

[REDACTED] The insurgents also provided security at clandestine airstrips, charging an average of \$10,000 per flight. [REDACTED]

Sendero's more recent efforts to set higher prices for coca products [REDACTED] have meanwhile provoked conflicts with traffickers, particularly Colombians who have traditionally dominated coca exports [REDACTED]

[REDACTED] Prices for coca products [REDACTED] plummeted in the early weeks after the anti-drug crackdown in Colombia but have been climbing

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steadily since last fall. They remain, however, below precrackdown levels. Sendero reportedly has sought to raise prices above what they were last summer. Colombian traffickers see the establishment of coca prices as their domain,

In our judgment, insurgents in both Peru and Colombia will try to exercise increasing control over the narcotics industry in areas where they are also seeking some form of political domination. Price-fixing in Peru and expanding insurgent-maintained coca fields in Colombia are developments that will almost certainly intensify the insurgent-trafficker conflict.

An additional complication may occur as a result of a developing situation in Bolivia. The Zarate Willka Liberation Armed Forces, a small terrorist organization responsible for attacks on US citizens and installations in 1989,

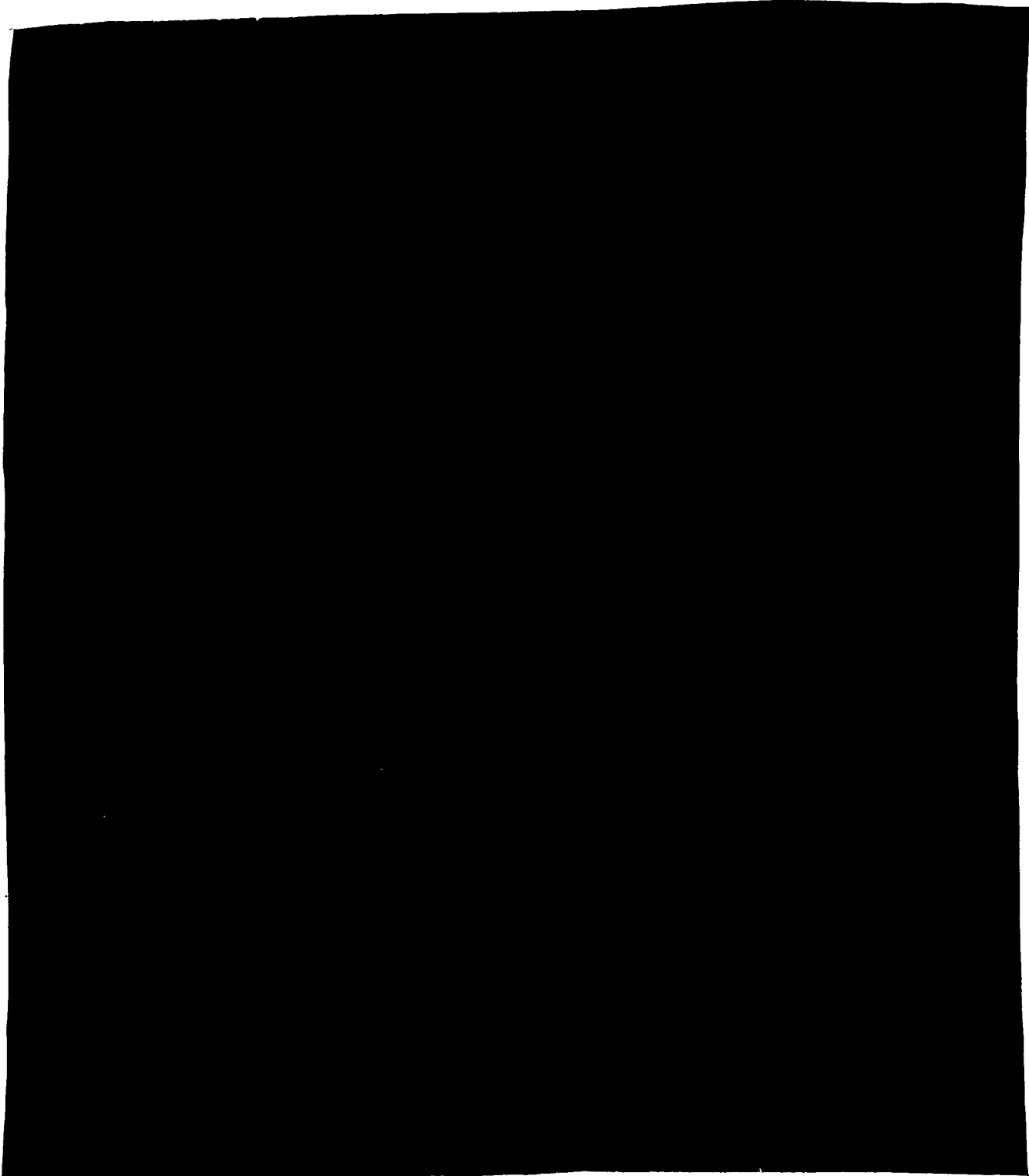
Another armed group, the Alejo Calatayud Commando

(CAC), was formed in Cochabamba, near a major coca growing region, in mid-1987.

The group promotes the idea that the coca leaf is sacred and an important part of the peasants' religious beliefs. In July 1987 the CAC advocated the ouster from Bolivia of US drug enforcement personnel and fomented enough unrest among peasants to cause the temporary removal of US officials from the area. Zarate Willka and other subversive groups in their formative stages may take advantage of the financial and recruiting opportunities inherent in the coca growing regions to gather strength, as their Peruvian and Colombian counterparts have done. If these groups eventually become involved in narcotics trafficking they may encounter resistance from traffickers seeking to protect their operations from insurgent encroachment.

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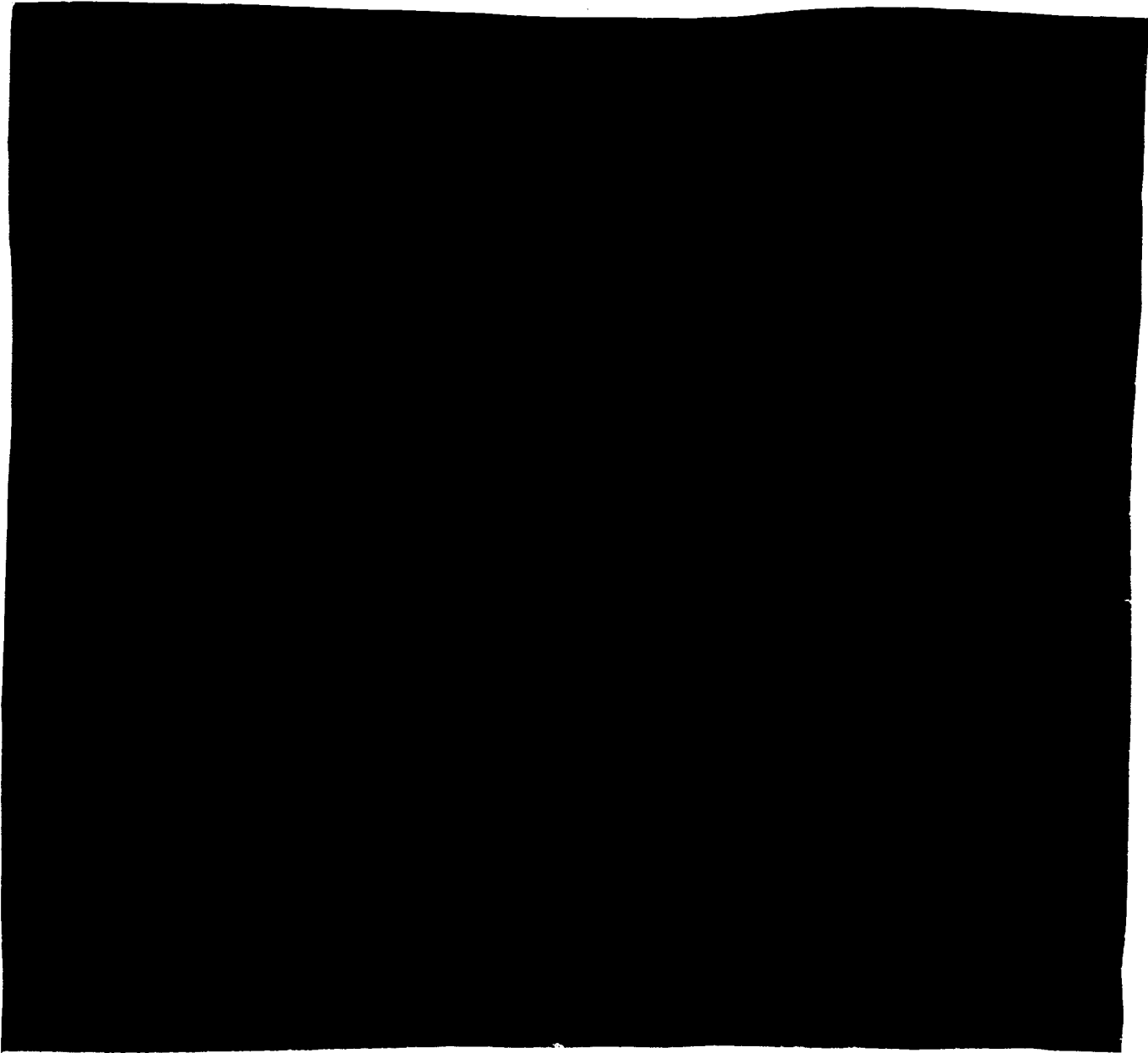
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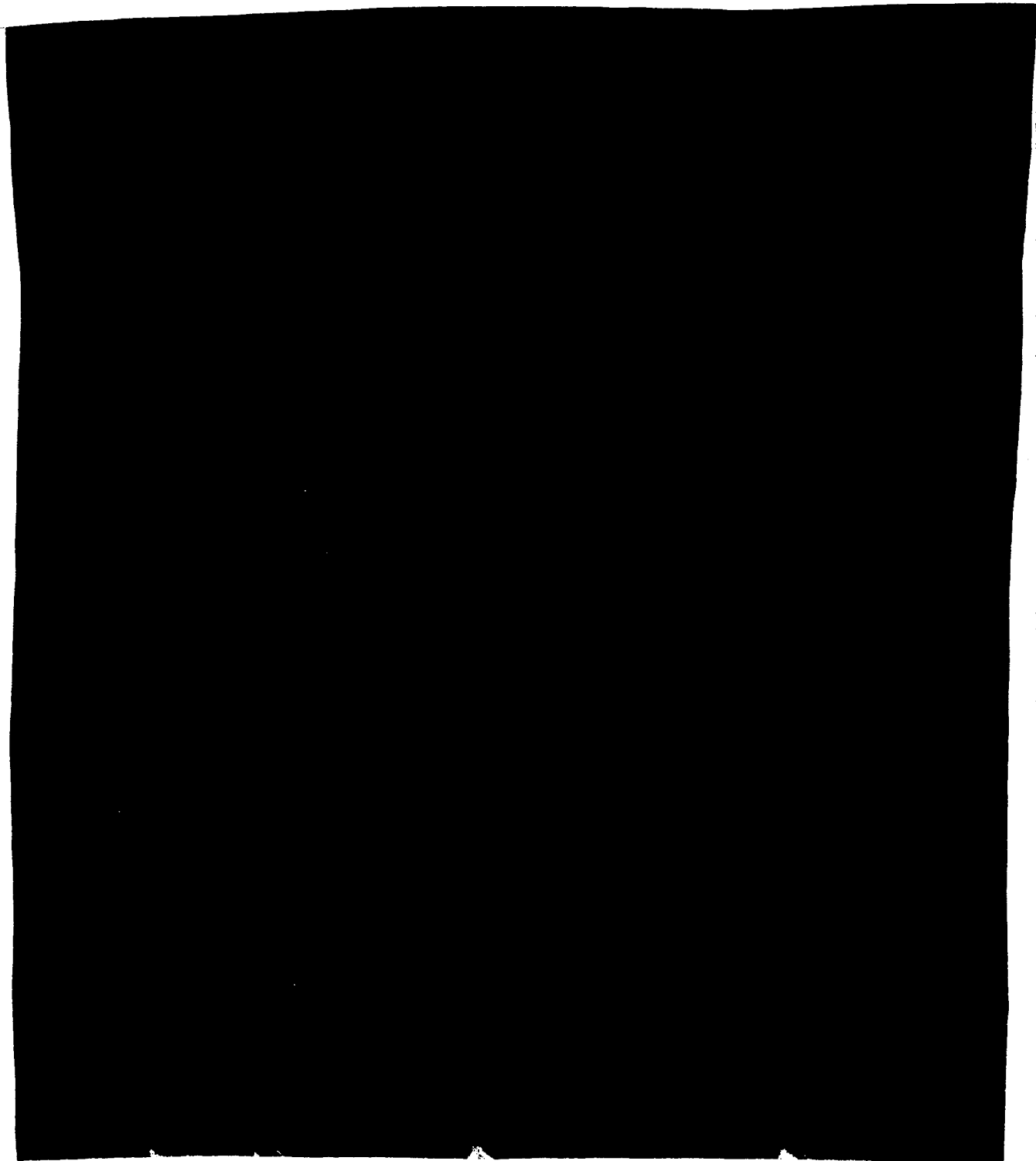


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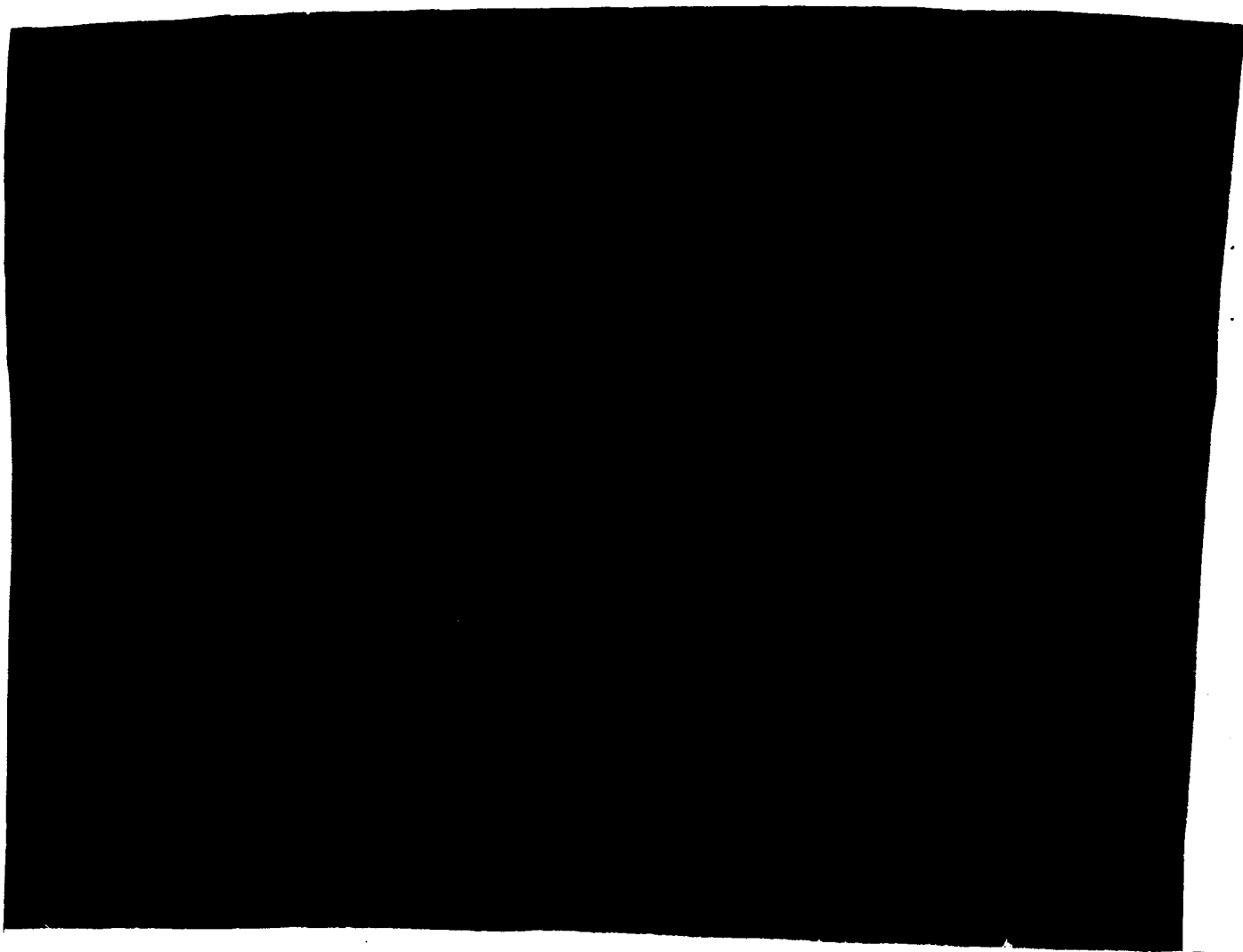
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## West European Perception of the Cocaine Threat [REDACTED]

West European nations have started to confront the increasing threat posed by cocaine, although the unevenness of individual national responses will continue to provide the cocaine industry with opportunities to exploit. Until recently, heroin was the major narcotics challenge facing the region, with most European antidrug strategies originating in the health ministries and dedicated largely to rehabilitating addicts. During the past decade, however, Colombian drug kingpins—attracted by Western Europe's large and relatively affluent markets, weak border security, and sophisticated transportation systems—began focusing some air and maritime export operations on Iberia and Italy. The success of these initial operations led to intensified efforts to move larger maritime shipments—often in containerized cargoes—throughout southern and northern Europe [REDACTED]

The European Community (EC) countries that have become key entry points and those that have burgeoning markets appear to be responding most vigorously through increasing efforts against export and distribution operations in Western Europe. [REDACTED]

[REDACTED] Spain [REDACTED] has appointed a cabinet-level official to increase the effectiveness of its antinarcotics program, and Italy and the United Kingdom are augmenting security at key airports and seaports. In addition, most West European nations have enacted legislation to increase penalties for drug trafficking, to seize trafficker profits, and to enhance resources for enforcement. In our judgment, recently enacted asset seizure legislation in Italy, the United Kingdom, and elsewhere—which requires a defendant to show that his assets are not drug-related—has been especially effective in helping authorities confiscate large narcotics profits. [REDACTED]

Expanded intelligence sharing is meanwhile enabling West European police forces to increase interdiction and arrests. In Spain alone, for instance, authorities have seized a number of multihundred-kilogram shipments after receiving tips from [REDACTED]

[REDACTED] and in January 1989 arrested the alleged nephew of Colombian kingpin Pablo Escobar. [REDACTED]

[REDACTED] London has since proposed that an EC-wide unit be established to monitor the movement of traffickers across international borders. [REDACTED]

Signaling their mounting concern over cocaine exports to Western Europe, some of the governments hardest hit by the trade are stepping up antidrug assistance to the source nations. Most West European assistance to drug-producing countries is currently channeled through the United Nations Fund for Drug Abuse Control (UNFDAC) and committed to development programs. For instance, a substantial part of Italy's \$300 million multiyear antinarcotics budget is currently earmarked for Bolivia and Colombia, and some Nordic countries—impressed with the Colombian crackdown and hoping to confront their own domestic problem in its infancy—recently made contributions through UNFDAC to Bogota [REDACTED]

At the same time, however, [REDACTED] there is some frustration in Europe over perceived inefficiencies in UN programs, which require little commitment from the drug-producing countries and limit enforcement aid to 15 percent of UNFDAC's annual budget, currently running at some \$60 million. Accordingly, a number of West European governments are beginning to offer direct assistance to Andean nations. The United Kingdom, for example, recently committed more than \$2 million to Colombia in enforcement and training assistance, and Italy is providing Bogota with armored vehicles and training to enhance protection of Colombia's judiciary, a favorite trafficker target. [REDACTED]

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Such responsiveness to the cocaine threat is not universal within Western Europe. [REDACTED]

[REDACTED] heroin populations in most European countries have stabilized, France, Portugal, the Netherlands, Austria, and Belgium continue to see that drug as the major narcotics threat [REDACTED]

[REDACTED] some authorities in the Netherlands and Portugal do not view cocaine as an addicting substance, nor do health officials collect statistics on cocaine use—thereby furthering national myopia. These difficulties are compounded by economic and manpower constraints in countries such as Portugal [REDACTED] which limit security and interdiction efforts. [REDACTED]

At present—and despite current unilateral and multi-lateral efforts by some West European governments to respond to the cocaine threat—we believe the cocaine industry can easily exploit the vulnerabilities of individual European countries. Furthermore, what is increasingly a regional problem for Western Europe is likely to intensify after 1992, if—as is currently planned—internal border controls throughout the EC are relaxed or eliminated. [REDACTED]

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## Highlights

### Latin America

#### Colombia: Marijuana Cultivation Down Sharply in 1989

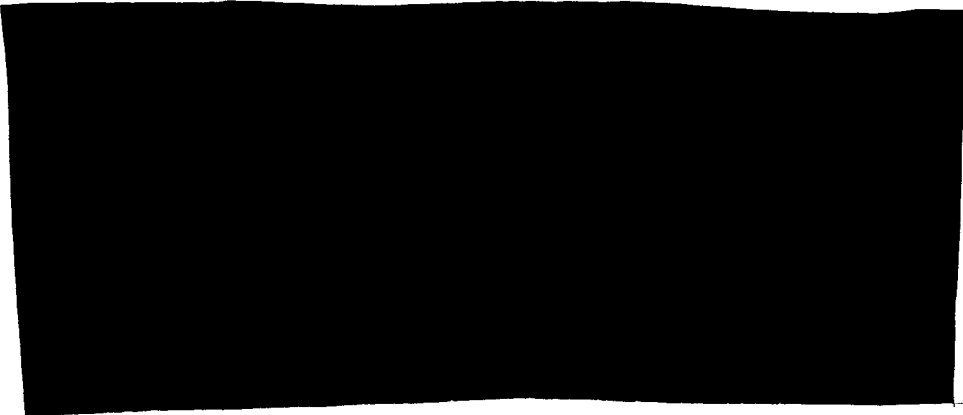
Colombia's harvest of an estimated 2,800 metric tons of marijuana in 1989 is down 60 percent from that in 1988—the first drop in production in three years. Only about 2,225 hectares were cultivated and harvested. The decline largely reflects the cumulative impact of the US-sponsored aerial eradication program, the US Coast Guard interdiction program, and the Colombian National Police's interdiction efforts. As a result of these programs, the Colombian marijuana industry appears to be in a state of decline. Colombia now falls well behind Mexico as a source of marijuana for the United States.

#### Panama Pledges Antidrug Cooperation (C NF)

To underscore its commitment to cooperate fully on antidrug matters, the new Panamanian Government has signed a joint agreement with Washington on narcotics. The bilateral measure calls for reducing demand, preventing illegal drug use, and combating drug production and trafficking. Most of the antidrug burden is likely to fall initially on the Public Force—reconstituted from the Panama Defense Forces. Antinarcotics investigations will be handled by the Independent Technical Judicial Police under the direction of the Attorney General. Official commitment to the fight appears sincere, but drug interests are so entrenched in Panama that significant progress in the near term is not likely.

Some major traffickers have probably adopted a wait-and-see attitude concerning Panama's viability as a drug-money-laundering haven as a result of the seizure of bank records during the recent US invasion of Panama and ongoing investigations of Noreiga's and a Colombian trafficker's bank accounts.

Stringent bank secrecy regulations meanwhile remain intact for the near term, a factor that, in our judgment, may encourage more traffickers to launder substantial profits through banks in Panama as the investigations come to a close.



**Caribbean**

**Cuba: Continuing Antidrug Efforts** [redacted]

The forcedown of a suspected drug smuggling aircraft on 20 January by the Cuban Air Force marks Havana's first successful use of this tactic since President Castro announced a tougher counternarcotics stance last June. Cuban fighters fired warning shots at the US-registered aircraft, forcing it to land at Havana's international airport. The incident follows augmented antidrug training by the Air Force and the Cuban military's dedication of additional manpower and equipment to interdiction. Meanwhile, drug trafficking through Cuba has diminished [redacted]

[redacted] This recent incident probably reflects the dividends of extensive counternarcotics training, which has helped offset constraints posed by equipment problems and the difficulty of intercepting slow, low-flying smuggling aircraft. The shrinking role of Cuban territory in drug operations probably results from these more aggressive measures but is also, in part, the result of broader disruptions in the trade, such as the counternarcotics offensive launched by the Colombian Government last August. [redacted]

**Jamaica: Marijuana Cultivation Reduced Again in 1989** [redacted]

Jamaica's harvest of an estimated 190 metric tons of marijuana in 1989—down 55 percent from that in 1988—marks the third decline in marijuana production in as many years. [redacted] only about 280 hectares were cultivated and harvested. The continuing decline in production is attributable to the success of the "Buccaneer" eradication/interdiction program run by the Government of Jamaica and backed by the US Department of State. As long as the "Buccaneer" program continues to be actively pursued by the Jamaican Government, the level of marijuana production is likely to remain low. [redacted]

**Middle East**

**Iran: Counterdrug Initiative Shifts Emphasis** [REDACTED]

Since Iran began its Val 'Adiyat counternarcotics operation in 1988, more than 1,300 drug smugglers have been executed, tons of drugs and numerous weapons have been seized, and thousands of addicts arrested, according to Iranian press. As law enforcement officials start the next phase of the operation, scheduled to begin in late January, the focus of the initiative has apparently shifted from punishment to rehabilitation. The latest long-term plans emphasize placing more of the addicts in rehabilitation centers rather than in work camps, which differ little from prison camps. According to press reports, there are 27 rehabilitation centers throughout Iran that are expected to accept the addicts. The shift toward rehabilitation was probably prompted in part by the failure of past policies to stem the rapid increase in heroin addiction. Despite the draconian measures of the past year, including mass executions of drug traffickers, the number of opium addicts in Iran exceeds 1 million, according to official government figures. The emphasis on rehabilitation will not, in our view, yield immediate results because Iran lacks sufficient trained medical personnel and medical facilities. [REDACTED]

**Asia**

**Pakistan: Enhancing Counternarcotics Capability** [REDACTED]

[REDACTED] Pakistan's Maritime Security Agency (MSA) improved and expanded its counternarcotics capabilities. Similar to the US Coast Guard, the MSA is responsible for narcotics interdiction. [REDACTED]

[REDACTED]

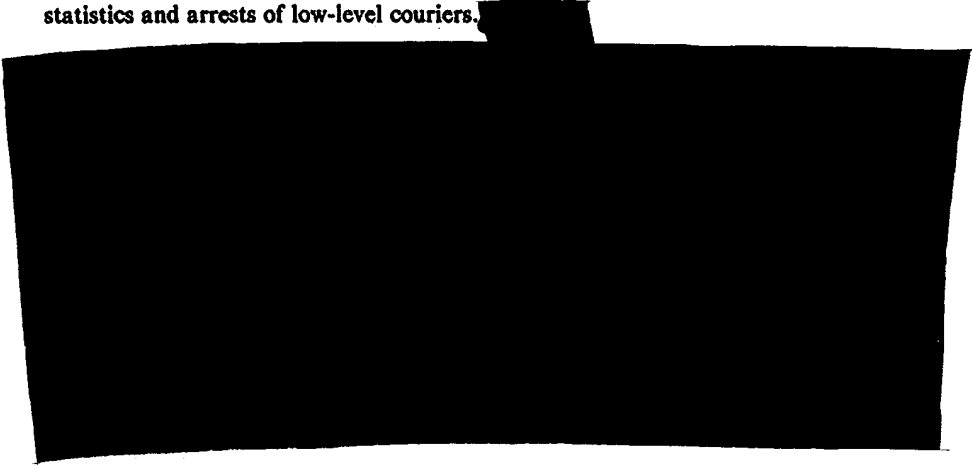
As the political troubles of last fall wane, Prime Minister Bhutto seems to be reemphasizing her commitment to the war on drugs. Military participation in counternarcotics operations was part of her six-point proposal to combat drug trafficking announced last year. So far, though, military participation has been limited to paramilitary forces involvement in interdiction and law enforcement.

[REDACTED] We believe, however, that the most beneficial program would stress drug asset seizure and property forfeiture, as well as detection and interdiction. This policy would serve the twin goals of law enforcement and revenue enhancement for the government. At this point, however, Islamabad lacks the sophisticated conspiracy



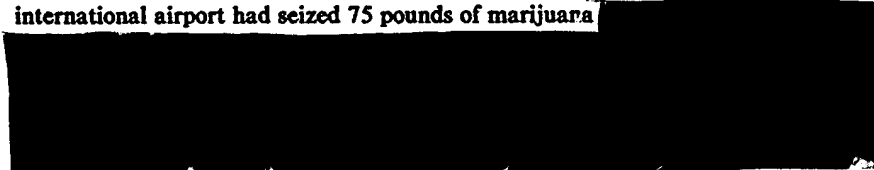
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and asset seizure statutes needed to convict drug managers/traffickers, so the government's approach thus far has amounted to accumulating drug seizure statistics and arrests of low-level couriers.




**Philippines: Drug Trade Flourishes**

Worldwide seizures of Philippine-grown marijuana during 1989 indicate expansion of the trade through large shipments and various routes. Press reports reveal that 2 tons were sent to Los Angeles on a cargo ship in October 1989, and more than 500 pounds reached Guam in several shipments by sea during October and November. Earlier in the year, authorities at Manila's international airport had seized 75 pounds of marijuana

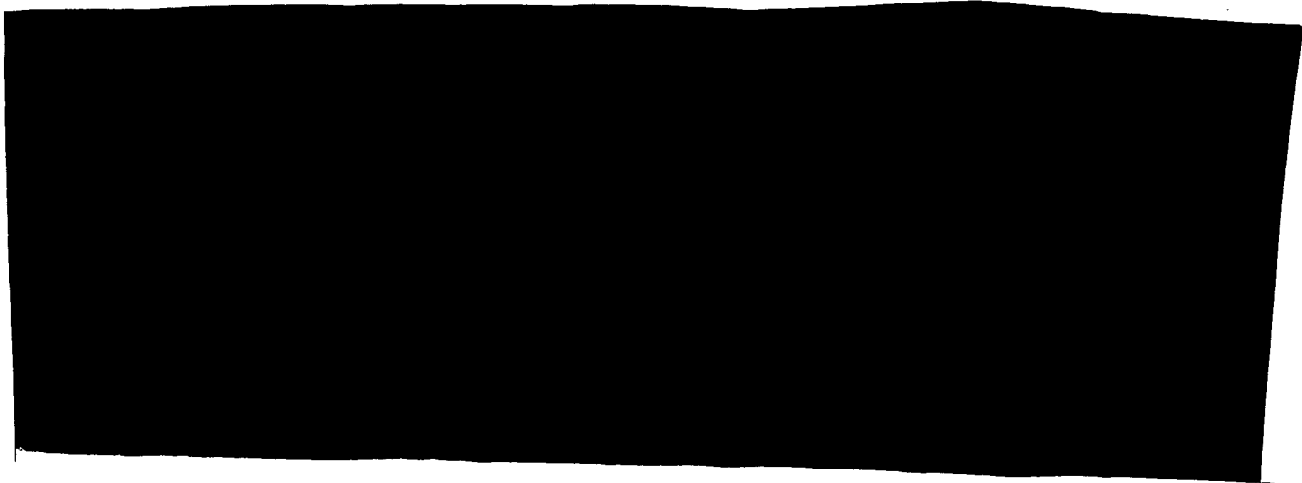


Soviet press reports last fall detailed the discovery in Riga of 185 kilograms in a container from the Philippines bound for the Netherlands via Belgium by ship. We believe that competing priorities and lack of resources will continue to hamper Manila's efforts to eradicate marijuana and to convict arrested traffickers.



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