

[COMMITTEE PRINT]

95TH CONGRESS }
2d Session } HOUSE OF REPRESENTATIVES

✓ STUDY MISSION ON NARCOTICS
TRAFFICKING AND PRODUCTION
IN THAILAND, HONG KONG AND MACAU
(JULY 6-16, 1978)

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A REPORT
OF THE
SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL
NINETY-FIFTH CONGRESS
SECOND SESSION
SCNAC-95-2-9



Printed for the use of the
Select Committee on Narcotics Abuse and Control

—
U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1978

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INTRODUCTION

The following report covers that portion of a study mission by the Select Committee on Narcotics Abuse and Control on its visit to Thailand, Hong Kong, and Macau in July 1978.

Elsewhere the committee has reported on its investigations and hearings in Hawaii and Guam, representing the first leg of the committee's study mission during July 1978.

The committee has been carefully monitoring Southeast Asian heroin traffic since its inception. What follows represents the latest information on trafficking and demand reduction in the three areas which have been the source areas for increasing supplies of No. 3 and No. 4 heroin smuggled into mainland United States and to Hawaii and the trust territory of Guam. These three principal areas are Thailand, Burma, and Hong Kong-Macau. They have become increasingly important as Mexican heroin supply decreases in volume and purity, and continues to increase in price. The committee has been warning of the significance of Southeast Asian heroin as a major factor in trafficking to the United States for the past 2 years. It now appears that this area, together with the Middle East, will increasingly be the one to watch.

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ACQUISITIONS

THAILAND

Immediately upon arriving in Thailand, the delegation was briefed by the Embassy and DEA staff. Discussion centered on three primary areas of concern: Thai domestic production and control efforts; trafficking routes; and relations with Burma (which is the largest producer of opium in the Golden Triangle).

It is estimated that Thailand has the potential to produce 50 tons of opium this year, the weather having been favorable for poppy growth. DEA estimates that half of that amount will be consumed in Thailand. In addition to the Thai domestic production of opium, it was noted that Laos will probably produce an additional 50 tons of opium which is expected to infiltrate northeastern Thailand and ultimately reach Bangkok. Some early signs are developing with a recent seizure of Laotian heroin.

A recent reorganization of the Thai National Police created the new Police Narcotics Suppression Center (PNSC) which is charged with coordination of all narcotics activities conducted by the Thai Government. This office is headed by Maj. Gen. Pao Sarasin who will retain his position of leadership on the Thai National Police as well. This is to be considered a major indication of progress and commitment by the Thai Government. American officials have applauded General Pao's energy and integrity for years, and commented at length on their pleasure at his appointment to this most sensitive and responsible position.

The Narcotic Control Board has organized four subcommittees to cover the spectrum of narcotics related activity. They are: (1) Subcommittee on Crop Replacement, (2) Subcommittee on Enforcement, (3) Subcommittee on Prevention and Education, and (4) Subcommittee on Treatment and Rehabilitation.

On July 7, 1978, the delegation was given an extensive briefing by Major General Chavalit, Director of the Thai National Police. He indicated that seizures of heroin and morphine base are up sharply in Thailand over last year, and stated that increased enforcement pressure has caused traffickers to adopt new routes and methods. Major General Chavalit stated, and DEA officials agreed, that the traditional trafficking routes which lead from the Thai-Burma border directly to Bangkok appears to be carrying less traffic than in the past. Instead, it appears that traffickers are moving narcotics through western Thailand and Burma directly to Malaysia for processing and transshipment. Malaysian seizures are also increasing and a recent change in Malaysian enforcement leadership appears to be resulting in greatly enhanced activity in that nation. General Chavalit stressed that while trafficking patterns do appear to be undergoing significant change at this time, the major trafficking route is still from the Thai-Burma border into Bangkok. He confirmed the new trafficking routes leading from Burma through Laos and from Burma into northeastern India but emphasized that these should only be looked upon as trends and not as permanent trafficking route shifts.

We discussed with Major General Chavalit the utilization of the seven helicopters which were provided by the U.S. Government to Thailand for narcotics suppression. He stated that the helicopters have greatly increased the ability of the Thai to mount successful operations, but commented that they had encountered some difficulty in maintenance of the aircraft. Funds for maintaining the aircraft are provided solely by the Thai Government which, according to Thai law, requires that bidding procedures for the maintenance activities be restricted to domestic companies. This has resulted in the award of the maintenance contract to a company which does not have the capability of providing adequate maintenance. He suggested that if the U.S. Government would again provide a portion of the funds necessary to maintain the helicopters, the contract could be awarded to a more suitable company.

With regard to Thai-Burmese cooperation in narcotics suppression, General Chavalit stated that some progress had been made in this area. He and General Pao have both visited Rangoon recently and have engaged in discussions with Burmese officials in an attempt to coordinate enforcement activities and the exchange of narcotics related intelligence. Prime Minister Kriangsak Chamanan has also visited Rangoon and entered into discussions on this subject. The major obstacle to joint operations appears to be that in Thailand anti-narcotics efforts are coordinated and implemented by the national police; while in Burma these responsibilities are handled by the army.

Antinarcotics activity in Burma does appear to have increased significantly in the past year but the problem still remains that the major opium producing areas are not within the effective control of the central government in Rangoon. Where the Thai police can mount an operation with little leadtime and reach the target area by helicopter within a few hours, similar Burmese operations require at least a battalion-sized army operation and must be conducted in hostile territory which is controlled by heavily armed insurgents.

The U.S. Government still does not have a DEA representative in Rangoon, but it is hoped that this might soon be accomplished. It appears though, that our last remaining hurdle of significance is our own State Department's reluctance to approve such a step. Responding to nonnarcotics related political pressures, the State Department has directed that even the DEA representative currently stationed in Taiwan be removed in order to increase the probability of dealing successfully with the People's Republic of China. State Department representatives indicated that a DEA representative in Rangoon would essentially be restricted to the Embassy and would probably serve no function which could not be handled by the present narcotics coordinator who is a member of the Embassy staff in Rangoon. DEA counters this argument by stating that before they had achieved the marked success which we have noted in Thailand, a DEA representative spent several years in Thailand in an essentially nonproductive status until he was accepted by the Thai officials.

The committee has noted significant progress in the antinarcotics effort in Southeast Asia generally. It is hoped that this momentum could be increased and that the State Department would approve any effort which is reasonably expected to achieve that end. This becomes particularly urgent when considered in light of the reduction in heroin production in Mexico. Traffickers are obviously turning to the Golden Triangle for renewed supply and amounts of Asian heroin reaching the United States have been increasing steadily.

The delegation met with Prime Minister Kriangsak at Government House for discussions which had been scheduled for 1 hour but which extended over 2 hours. The Prime Minister was extremely cordial and expressed pride and pleasure at the accomplishments of the Thai National Police in the suppression of narcotics trafficking. He renewed his commitment to support these efforts fully and even indicated that he was contemplating an expansion of the Thai National Police to form a new border-oriented antismuggling unit.

The Prime Minister is extremely concerned about Thailand's domestic consumption of narcotics and has obviously been involved in planning of treatment and rehabilitation activities. He pointed to the U.N. crop substitution program in the watershed areas of Thailand (which the committee visited) as a very hopeful step but stressed that for these efforts to be successful a market must be found for the products which they generate. He requested the assistance of the United States in devising methods to process, store, transport, and market some of the more perishable goods which are being produced by the farmers in remote areas. He stated that if the farmers were not able to sell their crops they would very possibly go back to planting opium since it is not a perishable crop and there is a guaranteed market for it.

The Prime Minister praised the role of the Drug Enforcement Administration in assisting his country to combat the threat of narcotics. He also mentioned Malaysia as a country of growing importance to narcotics traffickers. He is of the opinion that the Malaysians are in the process of organizing an effective antinarcotics campaign of their own. (This underscores the merit of a comment made to us by DEA officials in Thailand, namely, that the Drug Enforcement Administration should station an agent permanently in Penang, Malaysia. They are presently restricted from doing so because there is no U.S. Consulate there. We understand that this situation is being discussed with the U.S. Ambassador to Malaysia and that a solution is under active consideration.)

The delegation also inspected the various watercraft which have been provided to Thai Customs by the U.S. Government on a trip to Pak Nam, the customs headquarters. The involvement of Thai Customs in antinarcotics efforts is rather new, but the boats have proven very effective in antismuggling efforts generally. Only small seizures of narcotics have been made so far, but this is expected to improve as the Thai Customs Service improves its intelligence gathering relative to narcotics. We can parenthetically state that Thai Customs suffers from a problem similar to that experienced by U.S. Customs: smugglers often have equipment superior to that of the law enforcement agencies. During our inspection of the customs facilities we noted many small boats proceeding at extremely high speeds through the harbor. Called "long tails," these small boats are preferred by smugglers because they can reach speeds in excess of 50 miles per hour while carrying a cargo of many hundreds of pounds.

Maintenance is a problem with the boats as well as the aircraft which were discussed previously. Because of the congested nature of Bangkok harbor, the propellers of the boat often hit submerged debris. For lack of replacement propellers we saw 20 high-power engines sitting on maintenance racks. Replacement propellers cost approximately \$75

each, but again Thai procurement practices and requirements impede the prompt delivery of replacement parts. U.S. Customs representatives who are attached to the Thai Customs Service indicate that this is one of the major problems with which they must deal.

VISIT TO CROP SUBSTITUTION AREAS

On July 8, 1978, Congressmen Mann and Evans, Chief Counsel Nellis and representatives from the State Department flew from Bangkok to Chiang Mai. Chiang Mai, a known trafficking center near the Burma border, is approximately 500 miles northwest of Bangkok. Upon arrival there, they were driven approximately 50 miles over extremely rough roads to the Thai Agricultural Station at Chiang Khien to inspect the crop substitution effort. At Chiang Khien, they visited two Meo villages, which until 1974 had been engaged in the growing of opium poppies. They were accompanied to these villages by Dr. Aran, an official of the treatment center in Bangkok, where they were shown 4-year-old coffee plants, patches of upland rice and acreages of red kidney beans and other vegetables. This crop substitution area on the northern border of Thailand was first financed by the United Nations Fund for Drug Abuse Control (UNFDAC). The Thai Government has now allocated funds with which to continue crop substitution in the northern provinces. The villagers live where they work, and are receiving, on the average, more money for their vegetable and fruit crops than they received for opium and seem to be well satisfied with the change. The fact that the routes from the producing villages to Chiang Mai are so bad, however, inhibits a productive marketing system. Dr. Aran advised that negotiations had begun with the California Packing Co. to provide canning facilities at a point near the villages, but that the Government of Thailand would be required to improve the roads so that the raw product could be brought to the plant for processing more expediently.

From Chiang Khien, the delegation boarded helicopters and overflew other villages where the crop substitution program was in effect. From what could be seen from the air, it appears that much of the acreage formerly devoted to cultivation of poppies has been successfully converted to fruit and vegetable crops.

Dr. Aran (and at a later briefing, General Chavalit, Director of the Thai National Police) advised us that there were still approximately 30 to 50 tons of opium being grown in northern Thailand, but that the distribution was monitored and the government felt much of this product was being distributed to local opium smokers and was not being converted to heroin.

We were told that, if the crop substitution program continues along the same general line as has been the case since 1974, there would be no production of opium poppies to speak of in northern Thailand by 1981.

The delegation was impressed with the modern farming methods that had been taught to the Meo villagers. We visited their homes and found them to be primitive but more satisfactory than those in which they previously lived. Most village housing for workers in the fruit and vegetable fields is of A-frame construction and, while the houses lack indoor plumbing, they all have electricity and are relatively

comfortable. The men and women work in the fields 9 to 10 hours per day and are paid accordingly. About 80 percent of the produce grown in the northern provinces is sold in Chiang Mai.

If a processing plant, coupled with better transport to Bangkok, eventuates, then the growing areas will prosper beyond present day levels. The UNFDAC funding has just about terminated and some assistance will have to be given to the crop substitution program in Thailand to enable an excellent beginning to expand into a permanent benefit.

HONG KONG

The Select Committee on Narcotics Abuse and Control conducted an investigative mission in the British Crown Colony of Hong Kong in April 1977. As was noted in the report on the April 1977 trip, Hong Kong has one of the most modern police forces in the world. The force consists of more than 21,000 persons, including auxiliary police divisions, and has been successful in reducing crime in the Crown Colony by a substantial amount in the first 6 months of 1978 compared to the year 1977.

Hong Kong has an estimated addict population of about 100,000, the majority of whom are opium addicts. Virtually the only heroin used is No. 3 smoking heroin. While in Hong Kong, between July 11 and July 16, 1978, the committee visited the acupuncture clinic of Dr. H. Wen who, under a NIDA contract, has been administering electronic acupuncture to heroin and opium addicts for about a year. Approximately 10 percent of the addicts treated by acupuncture show complete remission. For the others, there are varying degrees of success. In some cases, methadone is used in combination with acupuncture. Evaluation studies of this technique are being prepared for NIDA and will show reasonable success ratios compared to other modalities. Acupuncture does not appear to be a viable treatment modality for American addicts, mainly because the treatment itself is strange and unusual but also because the majority of the addicts who have been exposed to this treatment modality in Hong Kong have been Chinese opium smokers, whose physical characteristics are substantially different from heroin addicts who inject drugs by hypodermic needle.

During the last year the efforts of the Hong Kong Government in demand reduction has increased considerably. There is an ambitious program to provide methadone treatment for 30,000 heroin addicts in conjunction with a computerized central addict registry which will identify every known drug abuser in Hong Kong.

On the supply reduction side, beginning about 4 years ago, a number of Hong Kong's most active traffickers were convicted and sent to jail. As a result, trafficking routes were disrupted and syndicates broken up. Because of the extensive airport control program, the Hong Kong authorities emphasized a return to smuggling via the ocean-going Thai fishing fleet which is bringing No. 3 heroin and morphine to offshore locations for later retrieval by a Hong Kong fishing boat. As a result of the successful internal interdiction, Hong Kong has ceased to be one of the major narcotic shipment points in the world. Changes in trafficking patterns are substantially reflected by a comparison of seizure figures at Kai Tak International Airport. For the whole of 1975, over 292 pounds of drugs were seized and 37 couriers were arrested at Kai Tak. For only 9 months of 1976, 65 arrests were made and a total of 390 pounds of narcotics were seized. The figures for 1977, while not yet complete, show a similar marked increase of seizures and arrests at the airport.

The committee had extensive meetings with the Narcotics Bureau of the Royal Hong Kong Police and the Customs service, the two chief enforcement agencies. We also met with the Acting Governor General, the Commissioner of Police, the Commissioner of Narcotics and the Commissioner for Customs and Excise. While there still exists some elements of fragmentation between the customs and police departments, the situation is getting better, due to the good efforts of Commissioner Peter Lee, who has been nominated by the Governor General to mediate all jurisdictional disputes between these agencies. The Independent Commission Against Corruption, which is still functioning, survived a major crisis in 1977, engendered by the widespread resentment among Hong Kong police officers against the relentless investigations conducted by the Commission into corruption. Over a period of 3 years, the Commission brought 260 charges against police officials, of which a total of 127 resulted in conviction and 79 in acquittal. The remaining 54 cases were unadjudicated at the time of the committee's visit in July 1978. About 80 persons, mostly police officers, were fugitives from Hong Kong as a result of the Commission's continuing investigations. As a consequence of the near-rebellion, the Governor General announced an amnesty on all offenses committed prior to January 1, 1977 and the crisis was momentarily averted.

The committee was advised by every level of government contacted that Hong Kong remains a center for financing international narcotics deals, but that the powerful syndicates have been broken up with the arrest of major Chinese traffickers in August of 1977. There is also some indication that opium and morphine base may be coming from Pakistan as exemplified by a seizure in April 1978 by Pakistani Customs of 77 kilograms of raw opium aboard a Hong Kong bound vessel.

The committee's visit to Hong Kong was welcomed by the Hong Kong authorities and resulted in additional promises of cooperation and assistance to the U.S. authorities, who are keeping an eye on the local and international situation insofar as Hong Kong is involved.

MACAU

The committee visited the Portuguese Colony of Macau, which is, physically situated on the border of the People's Republic of China, Yunnan Province. We were greeted by the Governor, and a full program of briefings and meetings was organized by the commander of the Macau security force, Col. Joaquim Chito Rodrigues. Colonel Rodrigues and his staff made it clear that the remaining five syndicates in Macau are Chinese triad connected and are local in nature.

Macau security police estimate that there are 1,800 heroin addicts in the territory. Of those, 40 percent are believed to smoke heroin while 60 percent inject the drug. While No. 4 heroin is the traditional form of the drug used for injection, there has been no No. 4 seized in Macau recently. The 60-percent injection rate is disturbing, however, because it represents a clear departure from the traditional Chinese "smoking addict," suggesting that younger addicts are becoming more strongly addicted to the potent No. 3 heroin. This trend has been accompanied by a sharp rise in the price of No. 3 heroin, indicating a growing addict population creating increased demand for the drug.

The Social Rehabilitation Center was created to "house all individuals of more than 16 years of age, without any means of subsistence, who have no way of life or fixed residence in Macau" and who use drugs to excess. This center requires assistance and technical support. Colonel Rodrigues noted that neither the center, nor the Antinarcotics Board possesses a trained staff.

Statistics on rehabilitation of drug abusers in Macau have only recently been kept with regularity. In a study which was completed this year, dating back to 1975, it was determined that of 196 internees discharged from the drug treatment program, 147 had returned to the rehabilitation center (75 percent). Authorities lost contact with 33 of these individuals and could confirm only 11 true rehabilitations (6 percent). There has been a sharp rise in the number of first offenders being admitted to the treatment program, along with an equally sharp rise in those being admitted for the sixth or more time. A curious statistic, which appears out of phase with the other treatment and rehabilitation statistics, is that there has been a dramatic increase of persons in the age group 45-60 years admitted for treatment. Approximately 50 percent of the census of the treatment center is in this age group. A possible explanation for this is that the older heroin addicts, who traditionally smoke the drug, are unable to compete with the new users and appear unable to cope with the price rise. It should also be noted that until recently most persons in treatment on Macau were employed, but that this trend is shifting and the rehabilitation center is now having to emphasize teaching of trades and skills to internees.

Since 1963, there has been no evidence that heroin, morphine or opium has originated in Macau. No. 3 heroin is imported from Hong Kong where there is no customs examination of passengers or baggage.

Macau police clearly would benefit from training assistance in all aspects of narcotics control. They have asked for assistance for their Customs Bureau and for the Antinarcotics Board, which deals with both supply suppression and treatment.

There have been no recent heroin laboratory operations in Macau. However, police have uncovered manufacturing of amphetamines for shipment to Japan. In meetings with the Judiciary Police, the Maritime Police, the Public Security Police and the Governor, it was repeatedly stated that Macau desires help from the United States in the way of technical support, some minor communications equipment and training for both its police and its treatment officials. Throughout our meetings with the various officials, the unspoken but ever-present fact that gambling is the principal economic activity on Macau was present. Where organized gambling exists, organized crime coexists.

CONCLUSION

The lure of demand for hard drugs in the United States continues to provide enormous profit opportunities for traffickers. As the eradication program in Mexico progresses, attention must be paid to Southeast Asia and the Middle East. The traffickers are most ingenious in selecting new routes and new sources of supply. The U.S. Government, in cooperation with its friends abroad, must be equally vigilant in identifying new routes and new sources.



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