

III. SOUTH EAST ASIA, FAR EAST AND PACIFIC OCEAN

East Asia remains both a large production center for opiates and synthetic stimulants, and a vast consumer market for banned drugs. Burma, despite anti-drug campaigns in 1997 and 1998 aimed mainly at influencing international opinion, remains the world's second largest producer of opium and the largest manufacturer of heroin. The same transformation laboratories, controlled by smugglers, ethnic minorities, or the Burmese military, also manufacture amphetamine. The country's increasing isolation on the international scene and its economic difficulties (as much the result of negligence by the military dictatorship as the impact of the Asian financial crisis) indicate that the military dictatorship is not ready to relinquish the profits it receives from drugs. Perhaps the most significant evidence of this is the latitude allowed the successors to Khun Sa to invest in various economic sectors such as transport companies, hotels, and casinos which, moreover, can be used to ship drugs or launder drug profits.

Burmese production also affects neighboring countries. Opium production is on the rise in Laos, where the local output and transit of heroin are protected by certain authorities and by the existence of a renewed rebellion active in the country for the past two years. Laboratories, at times established by Burmese groups, produce amphetamine. There is also a trend towards the diversification of production in several countries of Southeast and East Asia (Burma, Laos, China, and Indonesia), where synthetic drugs are frequently combined with heroin. Production and trafficking are facilitated in most of these countries by corruption at all levels. China, a source for precursor chemicals, in particular ephedrine, for synthetic stimulant laboratories throughout the world, has itself become a large manufacturer of these products, including ecstasy. Other countries, such as Australia and Japan, are essentially consumer markets targeted by international trafficking organizations through their local contacts.

BURMA

The Burmese military dictatorship changed its name in late 1997 from the State Law Order and Restoration Council (SLORC) to the State Peace and Development Council (SPDC). While several generals have been imprisoned or placed under house arrest recently, and others transferred to different positions, the move seems more like superficial windowdressing rather than a true change in the regime's nature. In fact, the strategy has strengthened the power of General Khin Nyunt, head of Burma's intelligence service and the regime's strongman. Following the surrender of Khun Sa in January 1996, Khin Nyunt answered questions about the event's effect on drug trafficking by saying that nothing could really change in the current year, and that the effects would only be felt in the coming years.

With the exception of a few high-profile drug seizures and operations to destroy drug crops, in mid-1998 Burma not only remains one of the world's two largest opium and heroin producers, but the manufacture of synthetic drugs continues to expand. The only success of which the regime might boast is the integration of the country's drug barons into the mainstream Burmese business community. All of Burma's major drug barons have effectively rallied to the government under the banner of national reconciliation with the ethnic minorities these barons are supposed to represent. Lo Hsing Han, Khun Sa, Lin Mingxian and the leaders of the Kokang: all currently enjoy the honorable status conferred by the privilege of investing in Burma's large infrastructure projects. Khun Sa's conversion is the most spectacular.

The Khun Sa Family "Business"

Sources who recently met Khun Sa at his Rangoon residence, built for him in the army intelligence compound at Yay Kyi Aing, near the city's airport, said his business has been taken over by his children. His second daughter, aged 36 and usually known by her Chinese name of Mee Dawn (and also called Kanitha Changtrakul in Thai), manages the family's financial empire and makes sure that the ageing baron does not spend too much money on his four latest concubines. His third son, known as Sam Seun in Shan and Pairoi Changtrakul in Thai, has moved to Tachilek, opposite the Thai town of Mae Sai, where he has obtained a license to build and run a tourist complex including a 200-room hotel, casino and other entertainment facilities. The total cost of the project is thought to be around US \$20 million. Sam Seun travels continually between Rangoon, Mandalay, and the jade mining town of Hpakan, in Kachin state. Khun Sa's second son, Sam Heung (or Patai Changtrakul) is busy negotiating a contract to build another casino on an island in the Mergui archipelago, in the Tenasserim division of south-east Burma (other sources say that Seun is the one involved in this project). A fourth son, known by his Thai name of Paisal Changtrakul, deals in rubies and sapphires in Mogok, north-east of Mandalay. Since Khun Sa made a deal with the army a small office rented by a company known as *The Good Shan Brothers International* has housed the Changtrakul family business. It is the military that now protects what used to be Khun Sa's heroin refineries in the Ho Mong region.

Shan sources close to the nationalist resistance movements SURA and SSNA, formed when Khun Sa's Mong Tai Army (MTA) broke up, confirmed that seven heroin processing plants are in operation along the border with Thailand, between Ho Mong and Piang Luang. They are run by former MTA members who have ties with the junta and work either for Khun Sa or in partnership with him. Two of these plants, at Mong Keng and Wan Phalay, are believed to be operating under the supervision of a local militia chief who is a close associate of General Tin Oo, the SPDC's second secretary.

But another drug baron, Lin Mingxian, who operates in the hills south-east of Kentung and who has also reached a ceasefire agreement with the military junta, has allowed the Changtrakuls to set up seven heroin and amphetamine laboratories in the area under his control. Also part of the Changtrakul financial empire are Khun Sa's uncle, Khun Hseng, known for many years in Thailand as Ronald Chang (and said by the OGD correspondent's source to be much wealthier than Khun Sa himself), and Khun Sa's former "chief of staff", Chang Shuchuan, a Manchurian ex-Kuomintang officer. Although both have been sentenced by courts in the United States for their active involvement in heroin trafficking in the Golden Triangle, they are investing in property in Rangoon and maintain close connections with foreign businessmen, mostly from Taiwan.

Wa Avoid Trap

In late October 1997, a *Reuters* dispatch from Bangkok cited a Thai source reporting the arrival of a large contingent of the United Wa State Army (UWSA) in the Mong Pan region, an area controlled by Khun Sa before his surrender. The dispatch explained that the occupation of this zone by the Wa army thwarted the Burmese government's intention to suppress opium production in this part of Shan State. By contrast, local OGD sources report that this entire area has been taken over by thousands of Burmese government soldiers who are increasingly becoming engaged in protecting heroin refineries and trade routes. At Loi Khi Lek, the largest heroin-manufacturing complex near the Thai border which used to be under the protection of Khun Sa, local sources have noticed that government troops have been hired to guard the laboratories. Refugees from the Mong Pan area, who have just arrived at the Thai border, allege that government forces had been telling them for months that they had to stop growing rice and beans and switch to opium poppies. The yearly rainy planting season is about to begin in the Golden Triangle, and harassment by government soldiers have forced many local peasants to flee to Thailand. Of course, the Wa do trade in drugs, but their labs are located on their own territory along the Chinese border and in an enclave north of Fang on the Burma-Thailand border, a long way from Mong Pan. The garbled report, which was leaked to *Reuters*, may be an attempt at diverting attention from the fact that the Burmese government army is getting more directly involved in the Golden Triangle drug trade.

However, recently the SPDC has repeated its request to the UWSA to quit its base camps on the border between Burma and Thailand and retreat to its northern territories. A similar request at the end of 1996 was refused. Rangoon's chief concern is to pursue its policy of improving its image abroad by withdrawing from center-stage its most embarrassing allies, who are the latest target of the Americans following the "surrender" of Khun Sa. Moreover, the border enclave known as Southern Command by the UWSA is a strategic economic area that allows control of the heroin routes toward Thailand and Laos as well as the booming trade in methamphetamine aimed at Asian markets. It covers a large part of Shan state, not peopled by the Wa, which the UWSA has fortified from on the Doi Sam Sao and Doi Loi Lem mountains as well as the Yawn river valleys and the Doi Mak-on hills. Far from obeying the Burmese junta's orders, so far this year over 10,000 Wa mountain-dwellers have come to the south from their stronghold on the Chinese-Burmese border. They have been given land grants in the Mong Yawn valley. The aim of this population transfer is to populate this sector of the Shan State with people of the same ethnic group as the UWSA. While the majority of the new settlers are civilians, many of them nevertheless are armed.

The Southern Command, also called Division 361, is run by drug baron Wei Shao Kang, who handles the logistics of the Wa troops in the region in exchange for the protection of his drug business. Although

he forms part of the Wa structures, Wei Shao Kang is Chinese and has connections with the networks formed by the Kuomintang which have managed to survive mainly by forging ties with the former Burmese Communist Party (BCP), which was largely composed of Wa members. The BCP broke up in 1989 into a series of purely ethnic groups, who made up for the cutting off of Chinese military and financial aid by a massive involvement in drug trafficking. Although the Wa signed a ceasefire with the Burmese junta in 1989, relations between the two sides have always been strained. In December 1997 the Burmese government massed thousands of soldiers against Wa positions, then summoned Wei Shao Kang to Rangoon. He was reportedly offered a deal similar to the one made with Lo Hsing Han and Khun Sa — a residence in an exclusive Rangoon neighborhood and the chance to invest in legal business which, like the two other drug barons, he could manage as he saw fit. In exchange, he would have to withdraw all the Wa troops stationed in Shan state (in the south of the country) toward their territory in the north, along the Chinese border, so that they would be less visible.

The Wa saw the offer as a threat and reacted accordingly: they immediately brought in reinforcements from the north to face up to the Burmese. The UWSA chairman, Pao Yo Chang (known as Ta Pang), and his chief of staff, Li Zi Ru, left their headquarters at Panghsang in the north for Loi Lem on the Thai border, where they were joined by the military leaders of the Southern Command: Ta Sai Tang, commander of the Wa special forces, and Ni Kap, who heads Division 171. Accompanied by an escort traveling in 14 trucks, they organized a series of meetings with Burmese military leaders in the town of Mong Hsat and at the Sam Sao military base. The outcome of the talks was that the Wa were allowed to keep their bases in the south until the end of 1998.

Although Wei Shao Kang has maintained control of Division 361 for the moment, pressure from the Burmese army may have sharpened internal conflicts between two factions of the Southern Command. A number of incidents bear witness to this. A convoy transporting a large quantity of methamphetamine under the supervision of a military commander from the north, Ta Kat, who is answerable to Li Zi Ru, was intercepted by a Wa unit from Division 361. In early January 1998, Sai Pao, the UWSA's liaison officer based in Thailand, was murdered at the wedding of the daughter of a former Wa prince belonging to a rival UWSA faction. Throughout 1998, as the SPDC deadline draws closer, further developments may be expected in disputes both within the Wa and between the Wa and the Burmese junta.

The willingness of senior military staff in Panghsang to set up a Wa settlement in the southern Shan State demonstrates that the UWSA intends to preserve its control over this drug-producing area supplying the lucrative Thai market. Wa laboratories manufacture more than two million amphetamine pills each month, in particular ecstasy, destined for Thailand's 250,000 consumers. Ecstasy is made in laboratories located in Sam Sao, near the Mong Yawn valley. A single ecstasy pill (called *Yaa-ee*) sells for only 500 baht, whereas it cost double that when the drug was still imported from the Netherlands.

The “3 G Free Zone”

The Burmese interior minister, Colonel Tin, asked the international community to support his “war on drugs” during a seminar held in Rangoon at the end of March. Japan backed the gathering and representatives from 21 countries took part. The ruling military junta claims it has reduced the total land surface planted with opium poppies and cracked down on heroin trafficking. Meanwhile, in the northeast of Shan state, former rebel leaders who have signed agreements with the government and in some cases even managed to secure projects financed by the UNDCP, have declared the areas under their control “opium-free”.

Whether they have really destroyed plantations or simply kept them hidden from inquisitive eyes, many reports agree that the former rebel leaders have become the new drug barons and are being encouraged by the military authorities to invest their income in national infrastructure and development projects. Another example of the junta's two-edged strategy: in March Khin Nyunt, the regime's strongman, opened the "Opium Redemption Museum" with a solemn ceremony in Mong La, the main town of Special Region No. 4, in the east of Shan state close to the border with China, which is the stronghold of Sai Lin, one of the drug barons who has ties with Khin Nyunt. The museum chronicles the history of opium, heroin and morphine and tells of the "efforts" made to eradicate it from the region. In a long speech at the opening ceremony, Khin Nyunt praised the measures taken by Sai Lin to provide alternative economic development for the region, and took the opportunity to attack the Americans for not taking these measures into account and keeping Burma on its black list of "decertified" countries in 1998.

As an example of his host's economic triumphs, he quoted the small fortune brought to Mong La annually by some 500,000 Chinese tourists — but failed to mention that the main attraction is the new casino built by Sai Lin with its dozens of green baize tables and about 200 ultra-sophisticated slot machines. Nonetheless, local sources say that the town does not have the hotel facilities to cope with the influx of over 1 300 tourists a day predicted by Khin Nyunt, suggesting that he deliberately inflated the potential turnover of a business that they described as "an impressive laundering plant for drug money". Indeed, it is the main economic driving force in Special Region No. 4, where Sai Lin controls all the most lucrative activities: trafficking of all kinds — heroin, illegal exports of Thai vehicles in China, weapons, Chinese illegal immigrants and of course gambling and prostitution. Night clubs and dance halls full of young women and a transvestite theatre complete the range of entertainment on offer in Mong La, to the extent that one resident described the town as "the free zone of the three Gs" — which stands for girls, gays, and gambling. Last but not least, this part of the former division 815, renamed Special Region No. 4 because of its strategic position on the border with China and Laos, and close to the huge market of Thailand, has become the leading area for the production of amphetamine in Burma.

In order to carry on the trafficking alongside their antidrug rhetoric, the military have a policy of making their shady allies keep a low profile, preventing them from indulging in the provocation which Khun Sa enjoyed so much during his glory days. Thus the Kokang clans, headed by Yang Mu An, Pheung Kya Shin and Liu Go Shi, have given up their territorial prerogatives to the Burmese army, while Yang Mu An's Myanmar National Democratic Alliance Army (MNDAA) massively handed over their arms to the troops. An official of the UWSA commented bitterly that all those warlords had chosen to relinquish a degree of sovereignty to the army so as to be allowed to continue running their drug businesses in peace. In this way, the Kokang region has expanded its production of amphetamine and synthetic drugs, including ecstasy, which is now produced locally. Although a substitution process is taking place, that is not exactly what the international agencies had been hoping for.

LAOS

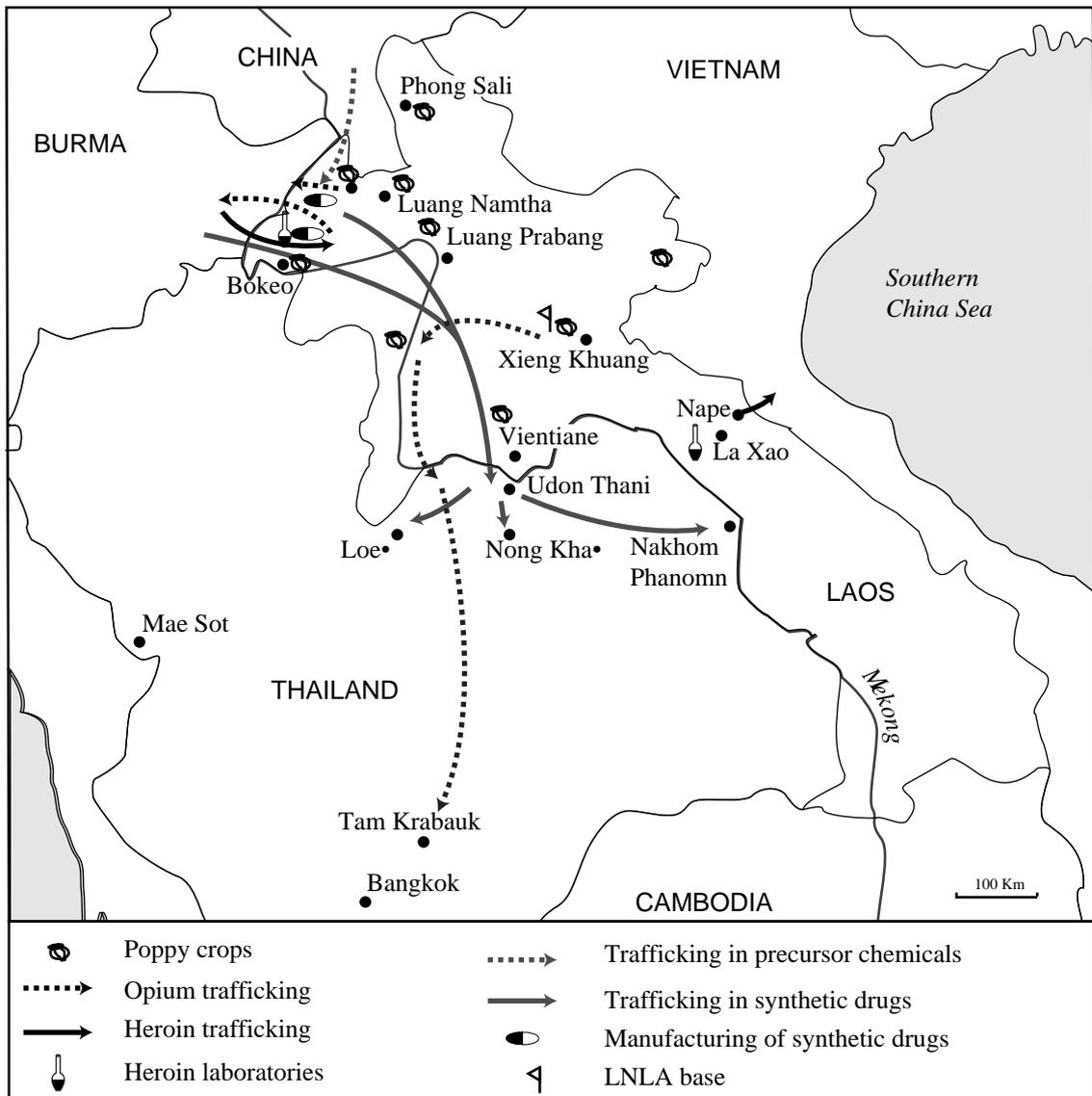
Laos may soon resume the role as a drug trafficking hub which it played during the Indochina and Vietnam wars. There are several reasons for this. Laos is now the world's third-largest opium-producing country, after Afghanistan and Burma (or fourth-biggest, if opium misappropriated from the legal market in India is taken into account). It is completely surrounded by countries that produce, process or serve as transit areas for drugs: Burma, China, Cambodia, Thailand and Vietnam. Laos is also one of the

world's poorest countries, with 80% of the population living in hard-to-reach rural areas. It was not really ready for the free-market policies introduced in 1986 under the name of "the new economic mechanism", and while the changes have brought no benefits to many rural regions, especially in the north, they have created new needs. Although the US State Department's 1998 annual report is enthusiastic about a government which has signed agreements with the Americans regarding the war on drugs, it also points out that "corruption exists at the highest level and is becoming widespread at local authority level (provinces and districts)". Finally, operations by the Hmong guerrillas, which are financed from opium sales, have been stepped up in recent months.

Opium: From Domestic Use to Exports

According to UNDCP, whose estimates concerning drugs in Laos tend to fall below those of the United States, opium production last year was 128 metric tons — somewhat closer to the US figure than in previous years. The amount of land under opium poppy cultivation was said to have risen from 21,000 hectares in 1996 to 28,000 ha in 1997, although this is still a long way from the record of between 40,000 ha and 50,000 ha reached at the end of the 1980s. Crops are now more likely to be grown at a moderate altitude (500-600 meters above sea level) and on flat ground. Even so, production has fallen: it was 140 tons in 1996. The main reason is that the warm ocean current El Niño has disrupted the climate, resulting in an unusually severe drought.

The DEA team based in Udon Thani, Thailand, says that opium is being produced in ten provinces of northern Laos by 68,000 families. It has noticed a reversal of the previous trend: the land area under cultivation is decreasing in the northeast (in Huaphan and Xien Khuang provinces), but increasing in the northwest (in the provinces of Phong Saly, the leading opium-producing region and the hardest to get to, Luang Namtha and Bokeo). Yields are only half as high in Laos as in Burma: 6 to 7 kilograms per hectare (or even as little as 5 kg, according to UNDCP). The official responsible for antidrug operations at the United States embassy said this was because growers were not yet using chemical fertilizers and modern irrigation techniques. But he added: "Laos has great potential, perhaps for higher yields than Burma. The introduction of modern technology has been delayed because of the difficulty of reaching areas such as Phong Saly in the north, but once they are in use, yields per hectare could treble." According to the Laotian government, two-thirds of the opium grown is either smoked inside the country or used as a traditional medicine. But a western diplomat questioned by the OGD correspondent said that since 1996 this trend had been reversed, and most of the opium grown in Laos now went for export. Production is thought to be higher in the Mekong delta than in eastern regions along the Vietnamese border.



Map 5: Drug production and trafficking in Laos

An agricultural engineer from Luang Prabang province says that if opium poppies are tending to become a cash crop, it is because alternatives such as rice, coffee and mushroom crops, or pig-rearing, which are funded by UNDCP, are not sufficiently monitored, so the results of the programs have not been convincing. It is true that officials often are prevented from moving around the country by security problems, and access to many areas is banned. In addition, the national airline is currently experiencing difficulties: its only *Boeing* was impounded in Bangkok because of debts and it is having to use ancient propeller planes. This means that a three-day visit to Luang Namtha province by a UNDCP expert requires at least ten days of travel via Thailand.

Intense Cross-Border Trafficking

The opening up of the borders between ASEAN countries makes drug trafficking easier, especially as Laos has long borders and shortages of infrastructure, staff and resources mean checks are only possible in inhabited areas and along the few highways. Drug rings, especially those run by the Chinese, have taken advantage of this situation to set up shop in Burma, Laos' western neighbor, and to give Laos back its "natural" role as a transit zone on the route to Cambodia and Vietnam, with Laotian drugs fed in along the way.

One expert who took part in a meeting of the Dublin mini-group (an informal body made up of OECD member states) in Vientiane on May 18, said Vietnamese military trucks were entering Laos via the Na Pe border post in La Xao province to take delivery of heroin produced in the region's laboratories. The Na Pe border post was opened by General Chen, known as the "Laotian Khun Sa", when he was director of the *Phu Doi* company conducting logging operations in the north. It is said that he used the company vehicles that cross the country every day from east to west and from north to south to transport drugs for export. The general's notoriety did not prevent him from being promoted to the rank of minister of tourism to prepare for Laotian tourism year in 1999. He was replaced at the head of *Phu Doi* by General Phoumi.

Meanwhile, an OGD source said that in April 1997, he had seen members of the Kul and Akkha ethnic minorities going to the north of Luang Namtha province, on the banks of the Mekong, and delivering consignments of opium to Burmese soldiers on the opposite bank for a local laboratory. The 10-kg loads were sold for between US \$500 and \$800. Payment was made in piastres, the old currency dating from the time of the French occupation, whose value depends on the amount of silver it contains. A doctor said that a few months earlier he had been walking along a path when he met a caravan of 20 mules loaded with opium, moving toward the town of Luang Prabang.

However, it is apparently more usual for drugs from Burma to travel via the River Mekong, on which Luang Prabang is located. Various sources say that the town has become the main transit center for drugs in Laos. In December 1997, Vietnamese police helped to arrest 22 people involved in heroin trafficking between Burma and Vietnam.

In addition, there are the Hmong guerrilla networks. Over the past seven months, clashes along Route 7, which goes east to Xiang Khuang, appear to have become increasingly frequent. The highway passes by Mount Phu Bia, a stronghold of the Lao National Liberation Army (LNLA), a guerrilla independence movement which accuses Vietnam of colonizing Laos. The 3000-4000 men are led by an ageing general, Mua Chue Fue, and the LNLA headquarters, known as Doucot (from the Hmong word for "leader"), are on high ground directly accessible from Route 7. It is sometimes hard to distinguish its operations from the crime that is common throughout the region. In both cases, the army retorts by burning villages

inhabited by ethnic minorities. Some people believe the LNLA had a hand in the crash of a Vietnamese military aircraft – transporting the deputy defense minister – on Mount Pa Xal, near the former CIA base of Long Chen. The guerrillas take opium along Route 13, west of Vientiane, to Hmong networks established in Thailand. This opium apparently comes from the Phu Bia region, near the intersection of Routes 7 and 13. The traffickers leave Route 13 in the Muang Kasi region and take either the Mekong into Thailand or paths as far as Thai Route 201. A colonel in the Thai intelligence agency told the OGD correspondent that the drug transited through the Tham Krabauk monastery, located 120 kilometers north of Bangkok in Saraburi province, where some 13,000 Hmong are receiving hospital treatment, officially for drug addiction before being sent on to other parts of the country, especially Mae Sot. Vientiane is calling for the Hmong to be sent home, alleging that the monastery is a guerrilla hideout. Income from this trafficking certainly helps to swell the amounts Hmong refugees living in camps along the border send home to their families in Laos: they total some \$50 million a year, whereas Laos' foreign currency reserves are not more than \$150 million.

Transit of Amphetamine derivatives

Luang Prabang province also produces and exports amphetamine derivatives. According to an American source in Bangkok, at least five processing laboratories owned by a Burmese organization, the United Wa State Army (UWSA), have been set up in the province and use precursor chemicals from China to manufacture synthetic drugs known locally as *ya baa*. They are exported across the border to the Thai provinces of Loei, Nong Khai, Udon Thani and Nakhom Phanom. A large laboratory producing both heroin and amphetamines was destroyed in the Laotian province of Bokeo in January 1998.

Laos is still the transit country for 80% of the amphetamine derivatives produced in Burma on their way to Thailand. In 1997, more than 700,000 tablets were seized on Laotian territory, while in 1996 the figure was only 150,000. The financial spin-off is believed to amount to some 150 billion Thai baht and is doubtless connected with proposals to open an 18-lane bowling hall, build luxury hotels that are never more than 20% full, and with the inflow of imported cars. Nowadays, fortunes are being made in Vientiane in the space of a few months, and everyone seems to want to start dealing in *ya baa*. The trade is expanding without hindrance because collusion between police and traffickers is notorious in a country where a low-ranking civil servant earns just \$20 a month while a kilogram of beef costs \$3. Even in the upper levels of regional government, a district chief executive only earns \$160.

Consumption and Contradictions in the War on Drugs

Drug use is becoming a problem in Laos. Obviously, this is not traditional use of opium, which is accepted among ethnic minorities for old people who are no longer working and apparently concerns only 35,000 people in the whole of Laos. A local official in Muang Kasi district said the 59 villages covered by his administration had about 30 opium smokers each. Nonetheless, an increase in opium use has been observed among young Hmong in Luang Prabang and Xiang Khouang provinces, and for experts at the few overworked drug clinics this is a “worrying” development — especially as, in the same provinces, there have been cases of Burmese amphetamines being sold by dealers arriving from the west. As opium prices are rising, some young Hmong have started taking amphetamines instead.

“Drug tourism” is another factor to be considered: an increasing number of young travelers from western countries go through Luang Prabang to get to the village of Muang Sing, in the north of Luang Namtha province, near the three borders (Laos, China and Burma), with the aim of smoking opium with

the Akkha. Ethnic minorities and local authorities are starting to show signs of annoyance at this. In November 1997, a Frenchman was killed by a local militiaman in a village five days' walk from Phong Saly, and in 1998, soldiers shot dead a Polish woman "by mistake". In Vientiane's many opium dens (one of the oldest is opposite a hotel often used by experts from international organizations), a pipe costs between 1000 and 1500 kips (\$0.40 and \$0.60).

Since the start of June 1998, packets of heroin have been sold on the streets of the capital. Glue and solvents, which have become very popular with young people in the past two years, are by far the worst problem. UNDCP reckons there are about 1000 users in Vientiane, but other estimates say the figure is three or four times that. There have also been a few reports of amphetamine use.

The United States offers financial support for the struggle against drug trafficking and the Laotian government has agreed for the first time to allow a branch of the DEA to operate officially within the country. UNDCP has been supporting alternative development projects since 1989. The Laotian government points out that in the past ten years opium production has been halved. Aid from UNDCP and other international agencies, particularly for roadbuilding to open up access to opium-growing areas, also provides the government with a pretext to "integrate" ethnic minorities, which hitherto either have enjoyed *de facto* autonomy or, like the Hmong, have supported guerrillas in some areas. In the name of the fight against drugs, minorities such as the Kamu and Hmong have been moved from the hills where they used to live to valleys with roads running through them. This radical change in lifestyle has caused massive health problems. When people who are used to slash-and-burn farming are forced to grow rice, they become vulnerable to diseases like malaria, from which many are now dying.

THAILAND

Like Peru in Latin America, Thailand is presented by the United States as a bastion in Southeast Asia's antidrug effort. In order to maintain this assertion, the US focuses on the fact that opium production in Thailand remains at very low levels (25 metric tons in 1997), and that Thai police not only actively collaborate with the DEA, but that the government in Bangkok also actively cooperates with regional counterparts on narcotics matters. Some 15 people were extradited and two others deported from Thailand to the United States, all but one on drug trafficking charges. However, the fact that less than 200 kilograms of heroin were seized in 1997 adds to the skepticism of many observers, given that Thailand, along with southern China, is one of the two principal transit routes for the 200 tons of heroin produced each year in Burma.

Since the surrender of Khun Sa to Burmese authorities, the running of his laboratories in Burma's Shan State has been taken over by the Burmese military, with which the Thai army enjoys excellent relations despite the Thai government's distancing itself from Rangoon in the second quarter of 1998. The Thai military is highly fearful of the advent of a Burmese government led by opposition leader Aung San Su Khy, a symbol of anarchy in its eyes. Suspicions of complicity of the Thai establishment in the heroin and amphetamine trade have been confirmed by the nomination to the post of Vice Minister of Interior in the new Thai government, which took power in November 1997, of a man suspected of drug trafficking and money laundering by the United States. Washington has denied him a visa for this reason.

The transit of Burmese drugs (heroin and amphetamines), added to local production of these same substances, has an extremely serious health impact on Thailand. The level of heroin consumption remains very high and, according to certain studies, could be on the rise. But booming consumption of

synthetic drugs is the most notable trend over the past two to three years. According to the UNDCP, 100 million tablets were imported into Thailand in 1997, of which 10% were seized.

Amphetamines in the Crisis of the Economic Model

The erratic swings in Thailand's economic development, pointed up by the financial crisis that has been in full swing since July 1997, have been accompanied by a roaring boom in consumption of synthetic drugs. The surge in the standard of living over an extraordinary decade has driven young people "to live for the moment", Narong Suwaniapiam, deputy secretary-general of Thailand's narcotics bureau (ONCB) observed in 1996. But in Thailand, abuse of amphetamine and its derivatives comes on top of consumption of a very broad spectrum of psychotropic drugs.

A study by the Thailand Development Research Institute (TDRI), the country's biggest research center, shows that drug use by the under-20 age group has increased by nearly 25% since 1991. The drugs most often cited in another TDRI survey, published in September 1997, were solvents, marijuana, amphetamine and heroin, to which benzodiazepines and other downers should be added. Amphetamine were first used by workers such as truck drivers and laborers as a stimulant that enabled them to put in more overtime hours. But the country's economic model, based on performance and individual success, raised awareness of the effects of amphetamine among all populations who identified with the model, starting with schoolchildren. A background article on the problem that appeared in the press in 1996 commented: "In Bangkok schools, amphetamines are as common as candy". There are believed to be 260,000 users of synthetic drugs in the country, which is close to the usual low-end estimate of the number of heroin addicts, 300,000. According to a survey carried out by the Army at the request of the health ministry, 2 % of drafted men have taken amphetamine. The average age of patients undergoing amphetamine or methamphetamine detoxification is 20. This consumption boom is reflected in the drug-trafficking statistics. According to the UNDCP, annual seizures of amphetamine in Thailand, which amounted to one kilogram in 1997, have been close to one metric ton since 1993. Since that year, Thailand has topped the UNDCP rankings of seizures by country for amphetamine and its derivatives.

The amphetamine use trend is similar for other countries in the region. By contrast, in Japan and South Korea, there are seven times more amphetamine users than heroin and cocaine consumers put together. The amphetamine pushers and dealers arrested in those two countries account for 88% and 50%, respectively, of all arrests for drug infringements. But in Thailand the figure is only 8%, even though arrests have risen sharply over the past three years. The increase in the number of street dealers in recent months has slashed the price of the colored tablets, known as *ya baa* or *ya maa*. A tablet that fetched 250-300 baht (US \$1 = 40 baht) in 1992 is now worth only 50-60 baht. Just under a year ago, the price was 150 baht in Bangkok schools. But paradoxically, because the number of consumers is rocketing and the cost of the raw material, ephedrine, is extremely low, Thailand seems to be moving towards the "profit model" of other countries in the region, without however reaching their levels: five years ago, the profit from selling a kilogram of amphetamine in this country was 150%, compared to around 6000% in Japan and South Korea. According to a 1996 UNDCP study on amphetamine and its derivatives, one of the major obstacles to controlling the illegal trade in these substances is that it yields higher profits than heroin at the level of wholesale and retail sales (although profits from production and processing are comparable).

Amphetamine and its derivatives are produced either in Thailand or in neighboring Burma, Laos and Cambodia. But Thailand, like all the Southeast Asian countries, also gets supplies, especially of ecstasy, from Europe (the Netherlands, Britain, Poland and the Baltic countries) and some former Soviet states

(Russia, Azerbaijan, etc.). What makes amphetamine-trafficking different in Thailand is the fact that rudimentary transport and distribution structures, sometimes involving whole villages, are associated with extremely sophisticated criminal organizations.

Amphetamine Networks

At the level of cross-border traffic, small-time runners get one baht a tablet, and truckers two or three baht. At Mae Sai, near the production zone in northern Thailand, a tablet costs 18 baht. It sells for three times that price retail in the capital. According to a recent report in the *Bangkok Post* daily newspaper, the 1000 inhabitants of Ban Don Khoi, in Nakom Pathom province west of Bangkok, have grown prosperous from the drug trade. As well as growing rice and raising hogs and chickens, almost every family has a van for transporting or smuggling these substances, the article's author reported. A village headman in the district of Thammasala, in the same sector as Ban Don Khoi, said that nearly half the 400 families in his community lived off amphetamine trafficking. The village, near the Pholdamri road linking the districts of Muang and Kamphaeng Saen, is strategically located to act as a supply hub for the whole of Thailand's far south. The amphetamine do not come from far away. Provincial authorities say they are produced in Kanchanaburi and Ratchburi, near the frontier with Burma.

One of the problems the Thai authorities have to face is trafficking with neighboring countries, which are less heavily policed and thus more attractive to producers. This traffic obviously has serious effects on domestic consumption. Payont Panthasri, who runs the ONCB in Bangkok, says that over the past four years, between 60 and 80 million tablets of amphetamine a year have been arriving on the Thai market from Burma, Laos and Cambodia. According to the *Bangkok Post*, one of the towns most actively engaged in the traffic between Burma and Thailand is Tachilek, on the Burmese side of the border just opposite Mae Sai. It said millions of tablets of amphetamine cross the frontier every month, either through the border post or along the dozens of trails beaten by traffickers through the region's mountains and valleys. Other, more discreet, routes bring the drug from Burma to Thailand through Laos, entering the country either through the Chiang Saen and Chiang Kong districts of Chiang Rai province, or, further south, directly through Nong Khai. The most commonly used means of transport are cars and boats, but it is estimated that a million tablets are transported by porters or mule trains.

According to Thai authorities in Mae Sai, Wa tribesmen of the United Wa State Army (UWSA), which signed a ceasefire with Burma's military junta in 1989, run several amphetamine factories, particularly at their Sam Sao base. There are believed to be up to a dozen factories all told in a radius of 10 kilometers around Tachilek. Press releases about bloody clashes between security forces and traffickers should not be taken at face value, because the Thai authorities systematically try to demonstrate their will to fight the "drugs scourge". It is true that more raids are being made, but the quantities confiscated are minimal compared to the volume being smuggled. A haul of 50,000 tablets, such as the sting mounted in the parking lot of the Crown Prince hospital in Chiang khong on 5 December by plain-clothes policemen posing as buyers, is hailed as a great success. The tablets came from Bokeo in Laos (there are large warehouses at Muang Mom and Mong La, Laos). Another haul of 50,000 tablets in a raid on a mountain village in Mae Can district in November also made the headlines. That time the drug came from Burma. In 1994, police made 13,508 arrests or seizures, mostly in Bangkok and the central plain. By 1996, traffickers had moved north and the number of arrests and seizures passed the 51,000 mark. Thai police at times do not hesitate to use expeditious methods. Some 17 police officers were implicated in the unlawful execution, "to set an example," of a half dozen traffickers. The deputy police chief, General

Salang Bunag, was suspended from his duties in July 1998 for opposing the investigation into these killings.

Use of such methods does not prevent the fight against drug trafficking to be random in that, according to Thai antidrug officials themselves, the Burmese authorities are very uncooperative. But these illegal activities also benefit from complicity at very high levels of the Thai establishment. The Vatana Affair is surely only the tip of the iceberg.

A Vice Minister Saved by the Crisis

Vatana Asavahame, member of parliament for Prachakorn Thai, one of the parties in the ruling coalition headed by prime minister Chuan Leekpai, has been given the job of deputy interior minister, even though he has been described by the Thai press as one of the “godfathers of the north”. In 1995, the US State Department said in a public statement that he would not be granted a visa for the United States because he was suspected of drug trafficking and money laundering. The same procedure prevented another businessman-turned-politician, Narong Wongwan from being appointed prime minister in 1992 — although he still became a member of the cabinet. In May 1994, the United States even published a list of 17 Thai politicians, including members of parliament, who were suspected of involvement in drug trafficking. As the Americans did not criticize Vatana’s appointment to a sensitive job, people could be forgiven for wondering if they have gone back on their allegations. Officials at the US embassy in Thailand said Vatana was still the object of suspicion but that, in view of the economic crisis in Thailand, the Clinton administration had decided to give its full backing to Chuan Leekpai so that he could carry out the reforms needed to deal with the crisis. This was why there was no question of destabilizing his government by bringing up the Vatana case again. This highlights the political influence of Vatana and of his party.

American diplomats in Bangkok added privately that the statement published in Washington was a mistake because they believed the matter should never have left the corridors of diplomacy. Nonetheless, the US administration has reportedly told the Thai government that Vatana should not be allowed to handle any sensitive issues concerning drugs or money laundering, threatening to suspend its cooperation in those areas if this happens. Diplomats at the embassy say – perfectly straight-faced – that they will make sure this clause is respected. They added that if Vatana requested a visa to go the United States the reply would depend on Washington, because the embassy was not authorized to take such decisions.

Persona non grata in Washington, Vatana tried to redeem himself through a private visit to Europe during the first week of May 1998. He planned to meet with the antidrug chiefs of certain countries, the UNDCP, Interpol, and others during the tour. But the death of former Prime Minister Chatichai Choonhawan forced Vatana to return prematurely to Thailand to attend the funeral. His program at the least reveals Vatana’s continuing interest in narcotics matters, despite the American veto.

CHINA

The political will to combat narcotics has prompted the Chinese government to establish “new criminal and legislative measures in order to better control narcotics and their various precursors”. A special effort was made in 1997 concerning illegal production and the diversion of chemical products. Indeed, the Year of the Bull was one in which all records were broken for seizures of precursor chemicals and

synthetic drugs. No fewer than 350 metric tons of these substances were confiscated on Chinese territory: mainly acetone to be used in the production of heroin in Burma and Pakistan, and ephedrine, a precursor chemical used to make amphetamines and their derivatives. The People's Republic of China is the world's largest producer of ephedrine (derived from the *ephedra* plant, which grows wild over large areas of the country), because it is used by the national pharmaceuticals industry to manufacture various medical drugs.

However, the widespread corruption present even at certain levels of the army and the administration, especially at the local level, means that decisions made at the top are not always carried out in practice as intended. Narcotics are taken particularly seriously when they are linked to a political or security problem, as in China's relations with Vietnam. Otherwise, the temptation is great to resolve the problem through simple force. There is nevertheless a simultaneous effort to humanize the approach towards drug use in China.

Under the sign of chemistry

In March 1996, 6 tons of ephedrine hydrochloride were seized on their way to Cambodia. The Chinese Narcotics Committee, which has the task of monitoring ephedrine exports, said at the time that the import certificate allegedly issued by the Cambodian authorities was a fake. The Cambodians confirmed this. Later the same year, a Burmese company asked a Chinese import-export firm to sell it 200 tons of commercial acetone. When the Chinese authorities intervened, the Burmese industry ministry said the company did not exist and that the import permit purportedly issued by the industry ministry was a fake.

In early September 1997, two operations carried out by Pakistani customs at the Soost border post, near Khunjrab, resulted in the seizure of 165 containers of acetic anhydride (enough to make about 4 tons of heroin). In November 1997, 27 tons of a precursor chemical – the authorities have not specified exactly what kind, but it was probably acetone or acetic anhydride) – was seized in the Uighur autonomous region of Xinjiang province, on its way to Pakistan.

The Year of the Tiger (1998) looks set to continue in much the same way. On January 8, 10 tons of ephedrine were discovered and 13 traffickers arrested during a joint operation by customs officers from towns in eastern and western Yunnan province, as well as northern China. The gang had a passing point in Shaanxi, a province in the centre-north and one of the poorest in the country, which has been hard hit by drug trafficking and consumption. Chinese television said that similar trafficking had already brought the gang about US \$1 million. On January 21, 39 tons of acetic anhydride were seized in Termez, Uzbekistan. The chemical, concealed in 640 containers that were purportedly being used to transport sewing machines and detergent, was loaded in China by an Afghan transporter (in 1997, Uzbek customs seized 20 tons of Chinese acetic anhydride).

The Diversified Synthetic Drug Market

One new factor came into play towards the end of 1997. On November 12, an operation in the Zhuang, autonomous region of Guangxi province, enabled police to destroy the first ecstasy laboratory ever discovered in China: 25.33 kilograms of the drug in powder and tablet form and an unspecified quantity of precursor chemicals were confiscated. The drugs were going to nightclubs in Shanghai and Guangdong where, since 1996, dealers had already sold about 250,000 tablets.

Networks have also formed to assist in the transit of amphetamines manufactured in Burmese laboratories through China's Yunnan Province. That was the motive behind the February 1997 request

of Chinese security officials in Yunnan to meet with Pao Yochang, leader of the United Wa State Army (UWSA), a grouping of Burma's Wa ethnic minority. The Chinese presented Yochang with a threat: if Wa troops did not put an end to the flow of synthetic drugs into Yunnan, the Chinese would prevent rice and other goods from crossing the Burmese border into Wa territory. It seems that China's geostrategic interests in Burma resulted in the threat not being carried out.

Other seizures of methamphetamine (ice) were made, this time further north in Hubei. According to the authorities, some 10 "mafia" figures, out of an estimated 30 members of the gang, were arrested during a joint operation between Guangdong, Beijing, and Inner Mongolian police. The gang was preparing to set up six secret ice-manufacturing laboratories, from which the police confiscated 3 kg of the drug.

China is also allegedly a supplier of "black pearl," pills containing a mixture of benzodiazepines including diazepam. Sold as a legitimate Chinese medication, these pills supply the American market via Hong Kong. In May 1998, in an effort to curb the smuggling of psychotropic medicines to Central Asia and Eastern Europe, Chinese authorities launched several operations. Over 80,000 tablets of amfepramone hydrochloride, a diet pill sold under prescription in China, were seized. A police operation also resulted in the arrest of five passengers on buses leaving for Kirghizistan, Uzbekistan, Russia, and Poland. One of the passengers, destined for Tashkent, was found in possession of 15,000 tablets. Some 58,000 pills were also confiscated from Russian wholesalers in Beijing's diplomatic quarter.

The special efforts made by the Chinese authorities to control trafficking in precursor chemicals on their territory underscores their determination to combat consumption of synthetic drugs in China — but above all it is a response to pressure from the international community, for whom this type of trafficking is a priority. The market for amphetamine derivatives in the west of the United States is supplied by laboratories run by Mexican gangs working on both sides of the Rio Grande, and the ephedrine used by the Mexicans comes largely from China, by air or sea, with some arriving from the Czech Republic⁵⁷.

However, according to observers of the Chinese scene, such large quantities of these substances could only be produced and transported by soldiers of the People's Liberation Army (PLA) who, through the military-industrial conglomerate 999, control 10% of the chemical and pharmaceutical industry — that is, 400 factories. Moreover senior officers, particularly those who run the logistics services of the Guangdong military region, maintain ties with the triad gangs in southern China.

In 1994, a report by Interpol's Thailand branch said that *shabu* (methamphetamine) meant for the Philippines consumer market was being produced at a Chinese barracks, under the supervision of a general. Thanks to the detailed information given in that report, Philippines police were able to inspect two Chinese ships and seize 150 kg of *shabu*. Among the 33 Chinese nationals on board were five soldiers, including a PLA captain. The involvement of the military tends to show either that the Chinese Communist Party is not in complete control of its army, or that corruption exists in the higher circles of the civil service. Meanwhile, observers say that the People's Armed Police (PAP), which is in charge of major antidrug operations, is as corrupt as the PLA, despite the vigorous anti-corruption campaigns launched every year by the party.

Some customs officials and agents of other organizations specialized in antidrug matters, all of them underpaid, allegedly sell confiscated heroin to the highest bidder. This phenomenon has been reported in isolated and poorly-supervised regions along the Chinese-Burmese border, and in particular in

⁵⁷ See WGD (1995-1996), p. 242.

Cangyuan, located on the fringe of the Golden Triangle. In addition, a portion of the funds earmarked for regional antidrug efforts are diverted for the personal profit of civil servants responsible for administering them.

Mitigated Success in the Fight Against Opiates

Corruption probably also explains the relatively modest level of seizures of opiates. According to Tao Siju, Minister of Public Security, 5.5 tons of heroin were seized in 1997 (compared to 4 tons in 1996), of which more than 4 tons were confiscated in Yunnan alone. It is estimated that between 80 and 100 tons of heroin coming from Burma transit southern China each year. Opium confiscations, mainly arriving from the Golden Triangle, have also risen compared to the previous year to 2 tons, of which 1.2 tons in Yunnan. This nevertheless represents a minute portion of the total drugs in circulation. It is estimated that approximately 10% of these seizures involve local production.

In Guizhou, as in Guanxi's Zhuang autonomous region, poppies are grown on small plots of land of some 100 square meters by certain montagnard ethnic groups such as the Miao and the Yao. The poppies are destined for traditional consumption and for medicinal purposes in regions where increasing poverty results in local authorities turning a blind eye to the illegal crops. In 1997, Guizhou police seized only 60 kg of opium.

The Zhuang autonomous region, bordering on Yunnan and Vietnam, appears to be turning into a trafficking hub: 400 kg of heroin and opium were seized in 1997, compared to 700 kg in total during the past five years. With the province's extensive coastline and its southern ports being minimally patrolled by the authorities, it is possible that drugs coming from the Golden Triangle and Vietnam are transported on cargo ships and fishing vessels. With drug and arms smuggling networks increasingly active, China has just constructed a satellite relay station on the small island of Yongxing, whose territory is claimed by Vietnam, in an effort to reassert its control over the region. Chinese authorities thereby hope to extend their security system to more than 300 kilometers south of Hainan Island.

Roads are also used by heroin traffickers, particularly the road network linking Guangdong Guanxi, and Vietnam. Hanoi, for its part, has ordered the military officers in Military Zone No. 2 to establish a National Defense Economic Zone in the isolated Muoncha region near the Chinese border. The area is populated by Hmong, and is located in northwest Laichau Province, which has become an important transit point for drugs over the past few years. It also appears that southern gangs have rear bases in northern China, in particular in Shaanxi, Gansu, and Ningxia.

Drugs and Minorities, From Xinjiang to Tibet

The hashish found in all of Chinese Turkestan's bazaars is not necessarily supplied by local production of the drug. According to various sources, Islamist networks subservient to Pakistan's military intelligence organization, the Inter-Services Intelligence (ISI), allegedly sell hashish from Pakistan, Kazakhstan, and Kirghizstan. The profits from this trade reportedly finance the Jihad in Xinjiang. Some 2000 Uighurs (a mostly Muslim ethnic group) who fled the crackdown following the 1997 riots initially found refuge in Pakistan's Gilgit region. Billionaire Ussama Ben Laden took them under his wing and sent them to Afghanistan for military training in order to one day return to Xinjiang and lead a Holy War there. In May 1998, ten Muslim countries in central and western Asia, members of the Organization for Economic Cooperation, signed agreements in Almaty relating to the fight against drug trafficking and other kinds of smuggling. Rather curiously, the Uighur Autonomous Region of Xinjiang, which shares

long borders with Pakistan, Kazakhstan, and Kirghizstan, does not appear to have been taken into consideration.

Also in 1997, Beijing and India signed a legal assistance treaty in which narcotics trafficking was specifically mentioned. It appears that the two countries have noted the fact that Tibet, linked as it is to Chinese Turkestan, Yunnan, Nepal, and, through the latter, to India, is vulnerable to becoming a drug route leading on to Hong Kong. Nevertheless, the last large heroin seizure in Tibet dates back to 1991. In November 1997, the Hong Kong press reported a seizure of hashish and opium during a large operation carried out by Lhasa customs and police officials along the border with Nepal.

Law Enforcement and Treatment: A Difficult Balance

The Minister of Public Security made an urgent appeal in April 1998 to the country's police forces to insure that "order and social stability triumph." Drug-related criminal cases in China rose to 106,000 in 1997 (a 29% increase compared to the previous year) while 135,000 smugglers were arrested (a 58% increase over 1996). Of those arrested, 90,000 were sent to re-education workcamps, and some 8000 were sentenced to death or to life in prison.

Some 28,000 people have already been arrested for drug trafficking-related crimes during the first quarter of 1998, an increase of 7.6% over 1997. In Yunnan, for the same period, 8700 suspects were arrested. In Guangxi's Zhuang autonomous region, the number rises to 10,000. Still in the same region, police reported 30,000 drug-related crimes over the past five years.

Following large-scale police operations, which official propaganda described as being supported by the population, 10,000 organized gangs were allegedly dismantled in 1997. Public executions aimed at the enlightenment of the masses are still carried out. Authorities in Guangdong sentenced seven people to death for having manufactured and distributed the record amount of 1500 kg of ice. One of those sentenced was a resident of Hong Kong. Another was Fan Ketong, a former chemist at Guangdong's medical school.

Drug prevention efforts are also struggling to keep up with the situation. In late 1997, China had 77,000 hospital beds for 540,000 registered drug addicts. According to Chinese and foreign specialists, the real number of addicts already totals several million. The number of drug users admitted to China's 689 forced drug rehabilitation clinics and 80 workcamps also rose in 1997 and in early 1998.

Awareness campaigns in the press and aimed at the masses, as well as non-optional information programs in schools, continue. The government has announced that 1998 would be the year of drug prevention among youths, who are increasingly affected by the drug problem. This is particularly the case in Guangdong and Shanghai, where ice and ecstasy consumption seems to be spreading. The Ministry of Health continues its policy of treatment using acupuncture and traditional medicine in general, while at the same time developing other types of treatments. Moreover it seems that the psychological support offered to drug addicts has increased, especially in prisons. Finally, some drug rehabilitation centers are now receiving financing from foreign countries.

INDONESIA

Whereas up to the early 1990s Indonesia's narcotics market was restricted to locally grown cannabis, since then amphetamine derivatives and especially ecstasy and similar drugs have experienced

spectacular growth which now greatly surpasses the initial clientele made up of tourists and wealthy youths. The financial crisis which has prevailed in Indonesia and the rest of Asia has had only a limited impact on that market. The vast majority of other drug users can fall back on a range of products, including mixtures of imported or domestic ecstasy and other substances. According to a customs official based at Jakarta airport, the fall in drug seizures noted since the beginning of 1998 can be explained by Indonesians' ability to manufacture drugs themselves.

As for trafficking, it is still too early to say whether those close to the former ruling family will continue to control the distribution of narcotics following the fall of the Suharto regime; or whether they will be forced to make room for new arrivals. In any event, international traffickers are turning to their advantage the inefficiency and corruption of the law enforcement authorities and using Indonesia as a transit territory for hard drugs, in particular for heroin.

Small-Time Marijuana Trafficking

In the early 1990s, the drug question in Indonesia revolved around traditional growing of cannabis in Aceh Province and the possibility of its use to finance Islamic and pro-autonomy opposition movements in the country. Cannabis, though of lesser quality, is also grown in Western Java near the tourist site of Puncak, and on the eastern islands of Nusantara Timur Barat and Lombok (east of Bali). There is no mafia controlling cannabis in Indonesia. Cannabis consumers in towns have their usual suppliers, or otherwise go to their employees in order to obtain the plant. Prices of cannabis in Jakarta have risen from 80,000 rupees per kilogram five years ago to 500,000 rupees today. However, if a consumer goes all the way to Aceh to buy his marijuana directly from the producer, he will pay only 200,000 rupees a kilo. In Jakarta, a single marijuana joint goes for 5000 rupees. Transport is undertaken by car, and police checks are virtually non-existent (as long as police have not been tipped off). Penalties can be severe if caught, reaching life in prison if found in possession of a few hundred kilograms of the drug. Smokers are often secondary school and university students. Ecstasy users also consume marijuana, but the reverse is not always true.

The Ecstasy Market Adapts to the Crisis

Until the early 1990s, because of the drug's high price, ecstasy use was restricted to small sectors of society. Today it is a mass product. Only the sale of first grade ecstasy tablets was hit by the financial crisis, with prices shooting up from 25,000 to 80,000 rupees because of the devaluation of the Indonesian currency against the dollar (US \$1 = 2500 rupees before the crisis; \$1 = 15,000 rupees in early June 1998). And the ethnic Chinese yuppies, who were large users, have left the country. According to the form and color of tablets, it is called *Inex*, *ce i in*, *White Dove*, *Dollar*, or *Bon-Jovi*. Large seizures were made in 1997 but the crisis further disheartened the corrupt Indonesian police force. When someone is arrested in possession of several tablets and fails to produce several million rupees, the drugs are seized either for the officers' personal consumption or to be sold back on the market at marked-down prices. For instance, on May 6, 1997, a police bust in a Sumatra night club resulted in the arrest of 19 plain-clothes police officers, 11 of whom were reported to be "under the influence of ecstasy". In January 1998, a military court gave a prison sentence to a police captain who had been bribed by drug traffickers. Until 1995, ecstasy was only known in Jakarta, the capital, but since then it has reached the provinces from Aceh to Manado.

If a drug case is published in the press, the way in which the police and especially judges do their jobs can be altered. If the press is not interested, a case involving 10,000 tablets can result in three months in

prison, but publicity around a case involving ten tablets may result in a nine-month sentence. Although it is difficult to assess the size of the market with precision, official statistics probably underestimate it. An Indonesian journalist who has researched the subject told the OGD correspondent that out of every 10 young people he met in Jakarta's cafés – where ecstasy is sold at the start of the weekend on Friday nights – at least two had taken ecstasy. It can be purchased in night-clubs from 11 p.m. on. *Oplosan*, made up of several substances including imported ecstasy, saccharine, tapioca and a substitute for *Rohypnol*[®], which the Chinese sell as *koplo* (the Javanese for fly). In rural areas, *koplo* is ingested with a 60-proof spirit called *ciu*, which is obtained from the sap of the breadfruit-tree. *Ciu* is traditionally given to buffaloes at harvest time. On human beings, the effects last at least three days.

The ecstasy and other stimulants available in Indonesia are first and foremost imported from Europe, especially the Netherlands. There, Moroccan networks are in cahoots with Javanese Indonesians (the *pribumi*), while ethnic-Chinese Indonesians get their supplies from Chinese or *boule* (white) dealers from Amsterdam or Rotterdam. Some *pribumi* may come into contact with *boule* dealers but this is exceptional. The drugs reach Indonesia mainly by air, sometimes with help from the on-flight staff of *Garuda*, Indonesia's national airline. Upon boarding a flight to Bali, a *Garuda* employee was arrested in possession of some 6400 ecstasy tablets at Amsterdam-Schipol airport on September 28, 1996. The Dutch authorities had initially intended to prosecute some members of Indonesia's embassy in the Hague who were suspected of belonging to the same network, but they finally dropped the charges. Again at Schipol airport an Indonesian was arrested carrying 18,000 tablets in April 1997. And, by the end of that month, all records were broken when the police stopped an Indonesian smuggler transporting 97,000 tablets. At Jakarta airport's gate 14, which is used by high-ranking officials, the top brass of the military and the family of former president Suharto before his downfall, there is no customs checks. Information published in the European press, including the Netherlands, have linked the Suharto family and especially one of the former president's sons, Sigit, to the ecstasy trade. It was even alleged that Sigit controlled an ecstasy laboratory. In Indonesia, it is well known that it is in fact Sigit's son, Ari Sigit, who heads a large ecstasy distribution network. One of his lieutenants has told an OGD source that the organization was not yet able to manufacture ecstasy itself, but that it held large stockpiles from which they could supply local markets throughout the archipelago. Under the Suharto regime, the same OGD source said, the south, center and west areas of Jakarta, where most of the city's night clubs are located, had been attributed to Ari Sigit. Within these protected areas, other traffickers have to fight for the 25% to 30% of the market not cornered by Ari Sigit. But if these traffickers became too greedy or if new networks emerged, Ari Sigit would order the police to arrest them. It is probable that so far the change at the top of the state has not affected the business of Ari Sigit. Moreover, there are indications that members of the armed forces, in particular Air Force pilots, take part in the trafficking. A significant development occurred on Monday September 7, 1998 when police in Jakarta uncovered a highly sophisticated ecstasy plant capable of manufacturing 1.5 million pills a month.

Heroin Consumption Expands

Customs agents in principle do not turn a blind eye to heroin smuggling, and the death penalty applies to trafficking in this drug. Up to two or three years ago, heroin came in through Medan (northern Sumatra) rather than through Jakarta, arriving from India, Nepal, Sri Lanka, and Madagascar on couriers who hid the drug in their baggage, inside artificial limbs, etc. They were paid between \$5000 and \$10,000 per trip. But, dissuaded by the severe penalties, Asians have steadily stepped aside to be replaced by Africans. The most numerous are Nigerians supposed to be working in the garment industry. A small community has established itself in the Tanah Abang neighborhood of Jakarta.

They get rid of their passports and go underground until they are finally expelled from the country. On November 8, 1997, police arrested two groups of Nigerians in various Jakarta hotels. The first group was found in possession of 3.7 kg of heroin, while the second was carrying 1.7 kg of the same drug. In January 1998, another 5 kg of heroin were seized, also being carried by Nigerians. But a citizen of Togo beat all the records in June when 8.6 kg were seized from him. Moreover, on January 20, 1998, French customs at the Paris Charles de Gaulle Airport confiscated 6.3 kg of white heroin hidden in the suitcase of an Indonesian man travelling to the Netherlands.

The Indonesian consumer market for heroin, until now made up of artists and members of the ruling elite due to its prohibitive price (450,000 rupees per gram), is now in the process of expanding with the arrival of less pure and cheaper products. Heroin is consumed in the form of *putauw* (considered to be third grade at 250,000 rupees per gram), a powder which is crushed and melted on aluminium foil. It is then sniffed using a new rupee bill rolled up into a straw. Dealers sell the drug outside high schools and on campuses. The example of Africa already shows that low purchasing power is not an obstacle to the spread of hard drugs. Indonesia will not necessarily be spared a wave of heroin consumption, which has already hit countries such as Thailand and Burma.

JAPAN

Japan is currently being hit by the “third wave of stimulant drug abuse” in its history. That is the theme of a report submitted by the Japanese government to the United Nations General Assembly Special Session on Drugs (UNGASS, June 8-10, 1998). The first wave lasted from 1952 to 1957, when an annual record of 55,000 people were arrested in 1954; the second occurred between 1980 and 1988, with 24,000 arrests in 1984, falling to 15,000 in 1989. The situation then remained relatively stable until 1994. The current wave began three years ago and the number of arrests has increased continually since, reaching 20,000 in 1997. The increase in this drug market has been met by a boom in Chinese production of amphetamines which supplies the Japanese market. The popularity of cocaine, hashish, marijuana, and LSD in certain circles is undeniable. But most disturbing to the authorities is that the number of youths affected by consumption of all narcotics, in particular synthetic drugs and solvents, is steadily increasing. It is a difficult situation to combat as it reflects social phenomena which can only be aggravated by the current economic crisis in Japan.

“The Third Wave of Amphetamine Consumption”

According to statistics from the Japanese National Police Agency, the number of amphetamine users in Japan allegedly topped one million in 1997. The rise in consumption is partly due to the drop in street retail prices for the drug, which have fallen from 10,000 yen for a 0.03 gram dose to 2000 yen today. Truck and taxi drivers, laborers with monotonous jobs, and certain white-collar workers all take amphetamine. Its use extends even to the Japanese administrative elite, as shown by the January 1998 arrest on amphetamine consumption charges of the Reverend Masanori Sagara, the 50-year old superior of a Shinto sanctuary, the ancient religion of Japan. In March 1998, a 42-year old school teacher, an ice skating coach, and a former civil servant of the prestigious Ministry of Finance, Takashi Hata, were found in possession of 46.9 kilograms of amphetamine, which they both consumed and sold. Police note that organized crime does not exercise a monopoly over amphetamine distribution: “ordinary citizens and students” are also involved.

The distribution of amphetamines and other narcotics is also undertaken by foreigners. Nearly 280,000 Asians reside in Japan illegally. In 1997, some 873 foreigners were arrested in Japan, including 328 Iranian nationals (of whom 220 were arrested on amphetamine trafficking charges). Iranians make up the most numerous and best organized foreign Asian community in Japan. When one of them is arrested or deported to Iran and his mobile telephone seized, another member of the same organization asks the telephone rental company to transfer the same telephone number to another person, who can thus take over business with the arrested man's clients.

But Asians are not the only ones on the market. Police dismantled a network lead by a French national in late December 1997. The networks' dealers were made up of citizens of the United States, Canada, and other European countries. They had brought into Japan 10,000 ecstasy pills made in the Netherlands.

Police have also noticed since the early 1990s a boom in the manufacture of synthetic drugs in China, in particular by laboratories located in southern China's Fujian and Guangdong provinces. The production is aimed at supplying the Japanese market. Chinese triads established on the continent, in Hong Kong, or in Taiwan dominate the supply of the Japanese market, and cooperate with the yakuza in importing the drugs into the islands. One of the larger seizures of 1998 involved 200 kg of amphetamine discovered on March 18 aboard of fishing boat originating from the Chinese port of Dalian. The route passed by the southern Japanese island of Kyushu. Eight persons, both Japanese and Chinese, were arrested. To avoid detection, the networks increasingly use small ports located in the southern provinces. During the first half of 1998, police discovered 9 kg of opium in Fushiki port (Toyama prefecture); 20 kg of cannabis in Minamata port (Kumamoto); 60 kg of amphetamines in Hososhima port (Miyazaki), etc.

The recent popularity of amphetamine has not stopped other drugs from making an appearance. Cocaine continues to spread discreetly among certain intellectual and artistic circles, particularly in show business and the cinema. Cocaine came into the headlines in Japan in 1993 with the arrest of Haruki Kadokawa, author and producer of a popular children's film and head of a large publishing house named after him. It is said that the famous film director Juzo Itami, who committed suicide on December 20, 1997, was a heavy cocaine user. Another indication of the growing popularity of this drug are the arrests of Japanese nationals in cocaine-producing countries. Two Japanese were arrested at Quito airport in Ecuador on December 29, 1997, while boarding an aircraft with nearly 15 kg of cocaine.

Booming Drug Use among Minors

But what is causing most concern to the authorities is that the number of students and secondary school pupils arrested has doubled every year during this period. In 1997, the figure was 262. Even more serious is the fact that in a survey of secondary school pupils, "about 20% think an individual is free to decide whether to use drugs". Finally, in order to pay for their purchases, pupils have been selling drugs outside school buildings and even inside. Stimulants, which are now supplied by criminal organizations, are nothing new to the young Japanese: use of such drugs has often formed part of their studies since the war — in some cases quite legally. It is these substances, including new variants continually arriving on the market, that are most popular among students and pupils. The most fashionable drug in secondary schools at the moment is a pill that combines LSD and amphetamine, the latter boosting the hallucinogenic power of the former. Known in Japan as "speedball", the substance is manufactured in Belgium and Germany and costs only a few thousand yen per tablet (1 yen = about US \$0.75). It is against this background that the Japanese government has just issued a ban, effective from

July 12, 1998, on 2-CB (Nexus), a phenylethylamine with hallucinogenic effects similar to those of ecstasy. It has been banned in the United States since 1994 and in Britain since 1997.

Drug addiction among young people has become such a problem that in 1996 the education ministry had passages included in school textbooks which warned pupils about the dangers of various drugs. The authorities say that although street dealers are usually foreigners, they know their customers well and pick out the most vulnerable as they leave the school premises. One Iranian was arrested in possession of about a thousand "speedball" tablets in April 1998.

Dealers are doing good business because they offer a variety of products and because prices are falling. The report presented to the UNGASS meeting blames the worsening situation on "a decline in moral standards and a growing tendency to enjoy life", as is also shown by "immoral sexual behavior", "the imported idea that 'individuals should be free to decide whether to use drugs'", and, finally, on the fact that "families are losing the ability to provide family education due to decreasing family size". Leaving aside the surprising condemnation of family planning, it can hardly be denied that drug use among young people is a result of the growing gap between parents and children. Although the report blames the western cultural model, it fails to point out that it is the economic model that is probably the main reason for booming drug use. While parents are wrapped up in their sacrosanct jobs, three generations after the war, grandparents seem to have lost their former role of keeping families together.

Glue sniffing is also regaining popularity among secondary school pupils. Paint solvents have become such a profitable market that it has been taken over by the yakuza themselves. In Tokyo two criminal organizations, the Kyokutokai Shinseikay and the Sumiyoishikai, have become involved particularly in the distribution of toluene on the local market. These two groups recruit youths to sell 100-milliliter bottles of this product for a unit price of 2000 yen on the street. Police in Shinjuku, one of the Japanese capital's most lively areas, have noted 22 regular points of sale around the train station. The yakuza pay the wholesale price of 2000 yen for a 16-liter can of toluene. Police estimate that 2200 bottles are sold each day on average, which makes 800,000 bottles each year. The annual profit from these sales could reach 1.6 billion yen. This type of drug use, of course, has a detrimental effect on juvenile delinquency.

At the start of January 1998, the country was shocked by the murder of a little girl on a street in Sakai, a suburb of Osaka, by a teenager who told the police he had been sniffing glue for two years. He also attacked the girl's mother, stabbing her with a kitchen knife before passers-by intervened. As a result of the case, the local authorities appealed to the government to strengthen legislation on the sale of toxic products such as industrial glue. Another subject causing concern is the proportion of girls who are now taking drugs. Of the 1596 people arrested for drug-related offences in 1997 (mostly stimulants), 60% were female. When these girls were asked by police about their reasons for taking drugs, some said they wanted to "try something new". Others said they were trying to cope with anxiety or lose weight. Other drug users are under-age prostitutes, whose numbers have been increasing rapidly in Tokyo and other major Japanese cities. Measures other than law enforcement are also being taken in an attempt to deal with the problem. The rehabilitation center for drug addicts opened in Tokyo's Nippori neighborhood in 1985 has been used as a model for others, and 13 similar establishments are now in operation throughout Japan. Prime Minister Ryutaro Hashimoto (before his resignation in July 1998) has launched a five-year plan which called for, among other things, a high school awareness campaign on the dangers of drugs. The commission responsible for putting the plan into practice is placed directly under the prime minister's authority. Four priorities were set out in the plan: drug awareness among school-going youths; additional resources for anti-smuggling authorities; measures to increase international cooperation; and additional resources for the rehabilitation of drug addicts.

The Role of Yakuza Money in the Crisis

One of the reasons for the March 1, 1992 “Law on Organized Crime,” which put an end to the legal existence of the yakuza, was that the yakuza had not only infiltrated the country’s real estate sector, but were then beginning to invest their profits in the industrial sector, profits which came for the most part from amphetamine trafficking. These investments represented a threat to Japan’s business community. According to data collected by a group of European magistrates specialized in financial crime⁵⁸, the presence of mafia money in the Japanese economy has contributed to the country’s current financial crisis. This is most conspicuous in the case of bad loans which put Japanese banks in danger of insolvency. Such loans were estimated by experts in Tokyo in March 1998 at the colossal sum of \$800 billion. The magistrates report: “Loans made directly or indirectly to the yakuza, Japan’s powerful mafia, are said to make up 30% of the total. The yakuza’s presence in the real estate market has been on the rise since the mid-1980s.” Widespread speculation was followed by a collapse in real estate prices. Real estate credit establishments, called *jusen*, consequently went bust.

Restoring Japan’s financial system to health, a prerequisite for the world’s second largest economy to emerge from its doldrums, presents a distinct risk of bankrupting other financial institutions. This stabilization must deal with combating the hold of organized crime on the banks, brokerage houses, and real estate groups whose managers have been arrested for agreeing to do business with the Sokaya, the gangs specialized in corporate blackmail. The government has told the country’s banks to clean house as quickly as possible, including handing over precise details as to the extent of their bad loans. The sluggishness with which they are moving seems to attest to the existence of numerous scandals involving the mafia.

Numerous organized crime bosses have found themselves in an extremely precarious position due to the stock market and financial crisis now shaking Japan and the rest of East Asia. Some have even committed suicide. Others are turning to new activities. According to international money laundering specialists, they are trying to set up vast drug money laundering operations, in particular on behalf of foreign criminal organizations, and above all those from Latin America. Another profitable smuggling activity is illegal immigration to Japan, especially coming from China. The yakuza cooperate with the Chinese mafia group known as the “Snake Heads” in this activity.

AUSTRALIA

Though Australia is a drug producer (cannabis provides significant agricultural revenue in certain areas), and while secret laboratories producing synthetic drugs have been on the rise recently, Australia is above all a consumer market. The upper classes follow Western trends, as shown by the use of marijuana, cocaine, ecstasy, and, more recently, sniffed heroin. The poorer classes are rather heterogeneous. Alongside a traditional working class is found a mixture of relegated sectors from which originate, for example, motorcycle gang members, town-dwelling aborigines, and members of minority ethnic groups. With the exception of the aborigines, who are noteworthy for their heavy drinking, the poorer classes also consume marijuana, amphetamine and injected heroin.

Australia’s geographic situation in the South Pacific, and the presence of Asian immigrants on the continent, mean that the country is easily supplied with heroin. And its links with Western countries

⁵⁸ Maillard, J. de [textes] and Grézaud P.X.: *Un monde sans loi, la criminalité financière en images*, Paris: Stock, 1998.

facilitates the import of narcotics such as cocaine and ecstasy. In a country with a relatively extensive social welfare system, a debate over establishing risk reduction policies and even the legalization of certain drugs is inevitable.

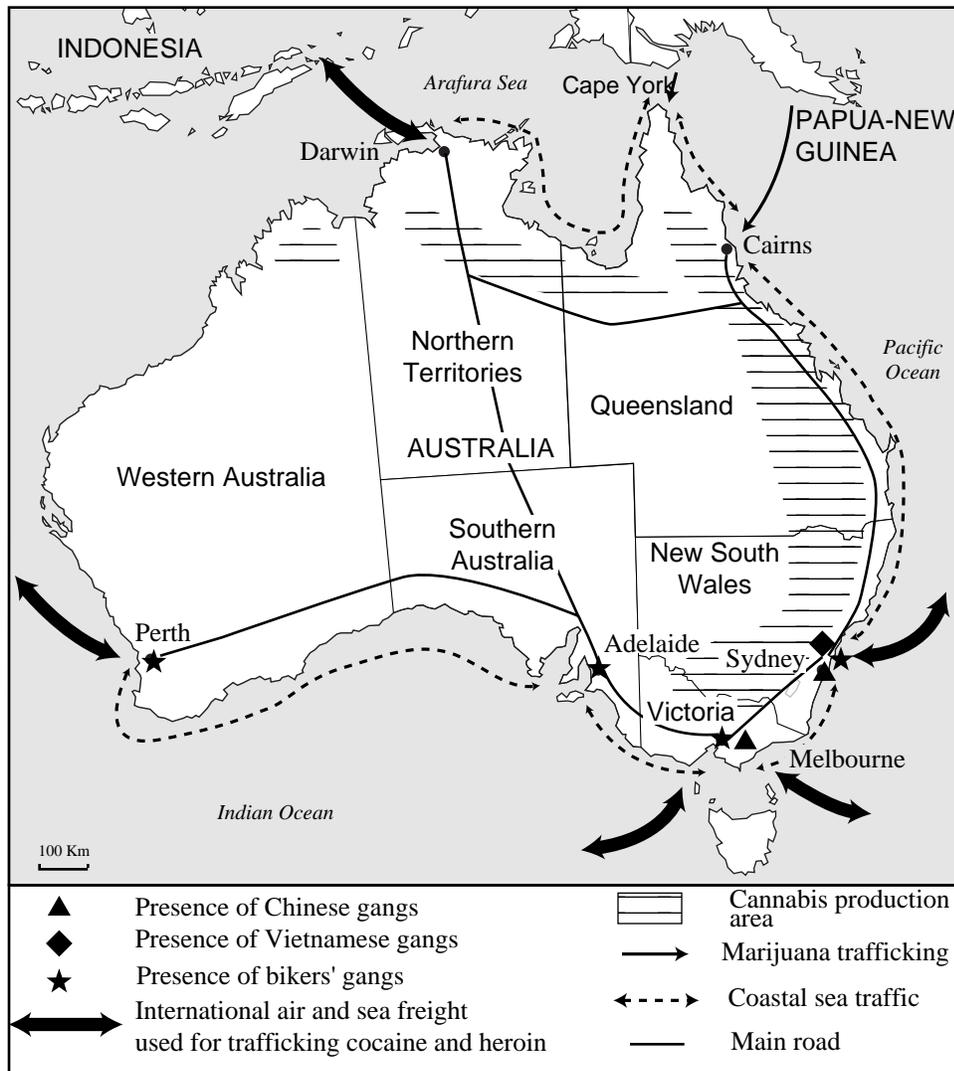
The Range of Cannabis Derivatives

The consumption of cannabis derivatives – marijuana, hashish, and oil – in Australia, according to official reports, is as widespread as in the United States. In 1995, 31% of the population over 14 years of age, and up to 90% of youths detained in Australia’s prisons, have smoked at least once. The ecological conditions of vast regions of the country are favorable to cannabis growing, in particular in the tropical and temperate regions on the eastern coast. In Queensland, revenue from this crop is second (among agricultural products) only to sugar cane, and well ahead of wheat and tobacco (Aus\$284 million for cannabis and \$44 million for tobacco in the early 1990s)⁵⁹.

The rise of fascism and World War II in Europe resulted in a wave of immigration to Australia, including numerous southern Italians, Albanians, Romanians, Yugoslavs, and others. Those Italian immigrants who already belonged to organized crime structures, in particular the Sicilian mafia and the Calabrian ‘Ndrangheta, reformed these groups on arrival in Australia. The Honorata Societa was organized particularly in New South Wales and in northern Queensland. Italian farmers in these regions quickly specialized in the production and marketing of cannabis, with the protection of certain local politicians and police officials. One of the more important industrial production centers was the highly fertile Griffith region, on the border between Victoria and New South Wales. Griffith’s marijuana crop is sent on to Sydney, Melbourne, Adelaide, and even Brisbane.

In the late 1970s, following the assassination of a member of parliament who threatened to reveal the links between the Honorata Societa and the Griffith police, more aggressive action from the authorities and the arrival of heroin (see below) resulted in the dismantling of Australia’s “Italian” mafia organizations. The price of marijuana, which had remained stable for many years, suddenly shot up by 1000%. Production of the drug then moved to isolated regions of northern Queensland, near a community of farmers of Italian origin. Today the largest production zones outside of this region are in southern Queensland and northern New South Wales. The production of hydroponic cannabis in greenhouses has also developed throughout the country. In the late 1990s, extremely diversified distribution networks exist, ranging from a group of friends of small growers to “Italian” organizations, motorcycle gangs, etc. for medium-size producers.

⁵⁹ Advisory Committee on Illicit Drugs: *Cannabis and the Law in Queensland*. A Discussion Paper. July 1993.



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Map 6: Drug production and trafficking in Australia

Relatively small (compared to national production) amounts of the drug are imported from southeast Papua New Guinea. The drugs are loaded onto small boats or even dugout canoes in New Guinea, then cross the Torres Strait before arriving on Queensland's northern point and at the port at Cairns further south. Hashish also comes to Australia, where a large seizure was recently made in Yeppoon (near the port of Rockhampton), as well as cannabis oil, mainly from Southeast Asia. Five metric tons of hashish were seized in 1995 on board a trawler near Maryborough on the Queensland coast. The drug had been transferred from a cargo ship onto the trawler off the coast of New Caledonia. The quantity involved in the seizure suggests that it is part of a larger transit business of which it is one of the few examples to date in Australia. Australia's second heroin wave in the early 1990s (the first occurred in the 1970s, when American GIs stationed in Vietnam spent their leave in Australia) resulted in a drop in the import of cannabis derivatives, as smugglers preferred to take risks with a much more profitable product (from \$40 to \$500 in the streets, depending on purity).

Asian Heroin Networks

In 1994, some 300,000 persons, or 2% of the population, had taken heroin at least once during their lifetime. The number of people who die from overdoses has gone up from 79 in 1979 to 620 in 1996, and the problem is expected to worsen over the next few years. A national survey of 800 drug addicts has shown that the average age for first using drugs is 16, and falling. There were even cases of heroin being used from the age of 6. However, as in other western countries, the fashion of snorted heroin among the upper classes progresses alongside that of injected heroin. Opium production on the island of Tasmania, destined for the production of morphine and sold on the world market for this purpose, is the object of only small diversions by local drug addicts who produce diverse mixtures for their own personal use.

According to statements made to the press by police officials, 3 tons of heroin worth US \$3 billion on the local market – and of which barely 10% is confiscated – are brought into Australia every year. Heroin networks are formed from recruits mainly from Australia's Asian community. Despite very strict laws limiting immigration, Australia has nevertheless welcomed Asian immigrants and refugees for the past 200 years. These Asians are at the root of the Chinese business community established in Australia's large cities. The latest three immigration waves included the Vietnamese boat people, students fleeing the Tiananmen Square crackdown, and businessmen leaving Hong Kong before its transfer to China. In the latter case, many of the businessmen were wealthy and in some cases held British passports, thus making it a simple matter for them to obtain residency papers for Australia.

Up to the late 1970s, heroin distribution was in the hands of gangs of European origin, including Italians, Romanians, Albanians, Yugoslavs, and others. But since the arrival *en masse* of Chinese and Vietnamese immigrants, who have been infiltrated by criminal organizations from their respective homelands, the control of the heroin trade has passed into their hands. They have benefited from the support of accomplices in the producer (Golden Triangle) and transit countries (China, Hong Kong, and Vietnam), and their contacts within the Asian community established long ago in Australia.

A parliamentary report published in 1995 on Asian organized crime in Australia said that the Chinese gangs working mainly out of Sydney and Melbourne are not local branches of triads, although they do have ties with them, particularly those known as 14 K, Sun Yee On, Wo Tee Tong, Wo Shing-wo and Big Circle. The gangs import heroin and subcontract distribution to Italian, Lebanese, Romanian and especially Vietnamese (or Sino-Vietnamese) gangs.

Police say they have identified the two leading heroin “godfathers”: a Chinese restaurant owner in Sydney who came to Australia from Hong Kong in 1976, Duncan Lam Sakcheung (nicknamed “Big Nose” Cheung), who is the main importer, and a 42-year-old Vietnamese who is the main distributor and whose name has been withheld by the police. The Vietnamese drew attention to himself by losing over \$20 millions in Sydney’s biggest casino over the past two years. Cheung, who is believed to have worked for both the 14K and the Wo Shing-wo triads, has been on the run since 78 kilograms of heroin hidden in 800 boxes of canned pineapple from China were seized in Sydney on May 4, 1998. He is thought to have fled to southern China after getting away from the Australian police. On July 7, 1998, a seizure of 91 kg was made in Sydney. The mastermind behind the shipment was a Chinese holding a British passport. The drug had been shipped from Xiamen in China in a container carrying household equipment.

The best known of the Vietnamese gangs is the 5T (so called because of the tattoos some of its members have), which operates particularly in Sydney’s Cabramatta neighborhood and is involved in such varied activities as extortion, forging credit cards, and illegal gambling. The Vietnamese gangs are currently trying to organize their own sources of supply of heroin produced in Burma and Laos, via Vietnam, as several seizures over the past few years have shown. New Zealand Customs seized 10.3 kg of heroin at Auckland airport in mid-July 1998. The drugs were carried by two Vietnamese traveling from Bangkok to Australia.

The Narcotics Pot-Pourri

Stimulants come just after cannabis derivatives in the number of its consumers in Australia. In 1995, amphetamine users rose to 6% of the country’s adult population. On June 2, 1997, some 8.9 kg of ecstasy hidden inside packages containing wooden tulips for decoration were seized at Sydney’s Tasman Bond Airport on arrival from the Netherlands. The drug was headed for a downtown neighborhood where rave parties are organized frequently. But ecstasy is also manufactured in Australia. In February 1997 a laboratory was discovered and 20 kg of methamphetamine were seized. A large-scale police operation among night clubs located on the Gold Coast (stretching between Sydney and Melbourne) in June 1998 resulted in the confiscation of 4000 ecstasy tablets, 546 amphetamine pills, 3271 LSD hits, in addition to marijuana and cocaine. But police say the most serious problem revealed by the operation is the discovery of 15,000 false ecstasy tablets made from a mixture of amphetamine, ephedrine, heroin, caffeine, or LSD. Police say their appearance could be linked to the destruction of several ecstasy laboratories, which may have led chemists to produce tablets with whatever was at hand.

Cocaine’s high price (reaching up to \$500 per gram for very pure cocaine) means this drug is still used almost exclusively among the wealthy and “protected” classes, usually on a recreational basis during the weekend. However a study in prisons reveals that 15% of young prisoners and 27% of the adults have already used cocaine. During 1996-1997, numerous seizures of several kilograms each were made at Cairns and Sydney airports. In May 1997, Argentine police confiscated 30 kg of cocaine “to be sent to Europe and Australia.” In July 1997 four US citizens were arrested at Sydney airport in possession of 10 kg of cocaine hydrochloride. They boarded an *Aerolineas Argentinas* flight in Peru en route for Australia via Argentina and New Zealand. In May 1998 several American Mormons were arrested while attempting to import cocaine into Australia. These cases testify to the existence of high demand in Australia.

Motorcycle Gangs and Smuggling

Australian motorcycle gangs, or bikies, play a very important role in narcotics distribution in Australia. They are remarkably well-organized and maintain contacts with their counterparts among the Hell's Angels in New Zealand and the United States. Before becoming involved in drug trafficking, these gangs of bikers were involved in armed assault, arms smuggling, vehicle theft, prostitution, and gang wars. One of the most feared gangs is the Coffin Cheaters, which the Australian press says are armed with "Terminator" weapons. In some cases they enjoy the complicity of local authorities, police, and prison officials (all drugs are widely available in Australia's prisons). According to a confidential Navy report, sailors even helped bike gang members remove arms and explosives from a Navy warehouse in Sydney. In order to maximize profits in the drug chain, bikies grow marijuana. They also produce amphetamine, normally with chemical re-agents stolen from warehouses. Their clients are recruited in body-building clubs (steroids), brothels (heroin, amphetamines, and marijuana), and raves parties (ecstasy and other stimulants, LSD, and marijuana).

As part of Operation Gynea, which targeted the biker's gangs in particular at the end of November 1997, two amphetamine laboratories were discovered, marijuana and heroin were seized, 21 people were arrested (including a chemist and a businessman) and goods worth Aus \$2 million were confiscated. Several police officers who had been collaborating with the gangs that were the subject of investigation have been brought before the courts. A few weeks later "Operation Panzer", which took place in Victoria province and the cities of Adelaide, Sydney and Perth, focused on the Bandidos, another bikers' gang. Fourteen arrests were made, and heroin and amphetamine were seized, as well as *Kalashnikov* rifles.

The Debate Over Risk Reduction

In November 1993, the Australian Parliamentary Group for Drug Law Reform was created in Canberra at the initiative of two parliamentary deputies, Ann Simonds and Michael More. In September 1997, one hundred or so members of parliament from several parties (Labor, Liberals, Greens, and Democrats), along with independents and representatives of social society, signed the Group's charter which called in particular for the decriminalization of marijuana use, the legalization of marijuana use for medical purposes and the distribution of heroin to certain types of addicts. In the states of southern Australia and in the Australian Capital Territory the decriminalization of marijuana use was obtained and legislation was amended to allow for the exchange of syringes on a national level.

After various studies were carried out throughout the country, in July 1997 five states or territories out of a total of eight – Victoria, South Australia, New South Wales, Tasmania, and the Australian Capital Territory – approved the distribution of heroin based on the Swiss model. But on August 19, the Liberal Prime Minister, John Howard, vetoed the initiative, claiming it would give the "wrong signal" to the population. He added, however, that he was prepared to support any "innovative experience." The United States intervened in the debate to criticize the plan, while several churches lent their support to the Prime Minister. His decision nevertheless provoked discord even inside the cabinet. In June 1998, the Prime Minister of Victoria State vetoed the experimental heroin distribution program in Melbourne. The debate continues.