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ANALYSIS OF THE CHALLENGE CONFRONTING AA/EA,
REGARDING NARCOTICS AND DANGEROUS DRUGS

There are two essential problem areas, both of which are real and interrelated. These are:

- a) the substantive drug problem
- b) the "bureaucratic" problems of AID's system and image
vis-a-vis the Congress and White House

a) The substantive drug problem

The basic problem is the fact of demand for narcotics and dangerous drugs (NDDs) - which is an American problem. Given this demand, the next basic problem is the resultant profit motive. There is so much money to be made in getting the NDDs to the people who want them that there are well nigh irresistible pressures working toward production and distribution of NDDs, if not by one group, then by another. Unless demand is reduced or the profit motive removed, production and distribution control measures will probably never succeed in eliminating the substantive drug problem.

Reduction in demand is a long-term problem of education and social development. Removal of the profit motive is conceptually much simpler. Official Government production of synthetic substitutes for free distribution to addicts might largely break the entire illicit drug market (although the British experience in this regard is reportedly inconclusive as yet). Short of this, more rigorous enforcement of heavier penalties against trafficking could at least diminish the flow of NDDs in the U.S. market.

I tend to disagree with the essential thesis of the Murphy-Steek^{Stank} report - which is that the U.S. drug problem can be blamed fundamentally on foreign production of NDDs, and that the practical solution is to get the foreigners to straighten up and fly right - valuable as that might be. As long as the U.S. demand and the profit motive are there in sufficient force, and the U.S. control measures are inadequate, someone will meet the demand and distribute the goods.

This is not to say that it is futile to take aggressive measures toward restricting foreign production and distribution of NDDs, but rather to put the problem in its honest perspective. With this caveat, we will attempt to analyze the foreign problem, as it affects the U.S.

The foreign problem involves production and distribution of NDDs. Production can be restricted by alternative economic development, to include crop substitution and subsidies. Subsidies would involve price support for the substituted crops. Licensing of production and official pre-emptive buying of the entire drug crop at prices competitive with the illicit rate are additional possibilities. Production can also be restricted by control measures, if sufficiently stringent (e.g., Iran), assuming the production areas are accessible to government control. Distribution is, according to the Murphy-Steek report, impossible to control, although this is the thrust of the entire ^{anti-}auto-heroin effort in Vietnam. If control measures and sanctions against distribution were sufficiently severe, however, the product might be priced out of the general market, even if not totally eradicated. ✓

Both production and distribution control - by whatever methods applied - will depend on the willingness and motivation of the foreign government concerned to carry them out.* Where the local view is that there is no local drug problem - only a U.S. problem, a Hong Kong problem or whatever - there will not be a vigorous local effort against drugs unless other factors intervene (such as U.S. inducement or pressure). A fortiori, where local officials themselves profit from the drug traffic (Thailand, Laos, Vietnam, etc.), effective local action will be rendered virtually impossible to achieve without drastic U.S. action.

Assistance to foreign countries in restriction of drug crop production or distribution may be either bilateral or multi-lateral (via the United Nations or international agencies). Programs may also be either overt, with the consent of the host government or covert and conducted with the consent, or contrary to the interests of local officials.

Even if NDD production and distribution are eliminated in a given country, they will tend to recur or shift to other countries as long as U.S. demand and the high market motive remain, which brings us back to where we started out.

a) The AID role

Even if the foregoing analysis is accepted, AID has a role to play which congressional pressures will not allow it to evade

* No account is here taken of possible unilateral covert action.

even if it wished to. Threats to the U.S. are perceived to come from two main areas at this time: (a) Turkey from which morphine base flows to France for processing into heroin, and thence to the U.S.; and (b) Burma, Thailand and Laos from which heroin is delivered to U.S. forces in Vietnam, (and, via Hong Kong, to the U.S. itself in a relatively small amount). This paper will consider only the SEA aspects of the problem.

BURMA

Although Burma is the major producer of opium in Southeast Asia, the Burmese Government does not control the Shan and Kachin areas where production takes place, and does not invite foreign participation in its internal affairs in any case. Whatever can be done, if anything, should be done by the United Nations. AID has no present role here.

THAILAND

Possible areas of AID concerns are (1) economic development among the hill tribes to provide substitute crops and alternative crop price subsidies, and (2) assistance to RTG enforcement authorities (e.g. RTC Central Bureau of Narcotics, TNPD).

(1) is complicated by the fact that the hill tribe production areas are not under RTG control. Possible solution, if RTG was willing to take the political decision, would be to defoliate its poppy fields from the air. General economic development and crop substitution will take years to implement, and may never be successful in eliminating opium production.

(2) is a more feasible approach. The problem is strictly one

of RTG motivation. The TNPD either has, or could readily be given, the capability of severely restricting the flow of dangerous drugs, if it had the will to do so. One complication is that TNPD and other Thai officials are themselves involved in the drug traffic.

CONCLUSION: The essential ingredient of both crop substitution and law enforcement programs would be RTG motivation. These programs could easily be mounted with U.S. assistance, but their effect would be almost entirely cosmetic.