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The International Narcotics Trade: An Overview Of Its Dimensions, Production Sourc And Organizations

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THE INTERNATIONAL NARCOTICS TRADE: AN OVERVIEW OF ITS DIMENSIONS, PRODUCTION SOURCES, AND ORGANIZATIONS

SUMMARY

While America's drug abuse problem is driven by domestic demand, foreign drug producers and traffickers are an integral part of the illicit narcotics problem plaguing the United States. Estimates suggest that when measured in dollar value, 80% of the illegal drugs consumed in the U.S. are imported from Latin America, the Caribbean, and Asia. The enormous profits generated from the illicit drug market enable the growth of diversified international criminal organizations and the extension of their influence into local communities and legitimate businesses, even into national governments. Such profits provide narcotics trafficking organizations with the resources to compete with law enforcement agencies, to disrupt antidrug operations, and in some cases, to challenge the authority of national governments.

This report reviews the international component of drug smuggling by discussing each of the three major illicit international drugs of choice and the dimensions of the market surrounding each of these. Secondly, this report outlines the negative and increasingly visible effects of narcotics trafficking on other countries by highlighting the escalating drug abuse and economic entrenchment caused by the illicit drug trade. Finally, it reviews the organizations and operations involved in narcotics trafficking and the challenges they pose to local, regional, and international antidrug efforts.

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INTRODUCTION

Foreign drug producers and traffickers are an integral part of the growing drug problem plaguing the United States. America is consuming drugs at an annual rate of more than 6 metric tons (mt) of heroin, 70-90 mt of cocaine hydrochloride, and 6,000-9,000 mt of marijuana -- 80% of which are imported. American demand therefore, is a linchpin for one of the fastest-growing and most profitable industries in the world.1/ Despite increased U.S. efforts to reduce usage and cut off the supply of drugs, worldwide production continues to rise (see Figure 1 next page). In terms of financial resources, estimates for the value of the global drug trade run as high as $500 billion a year.2/ According to one estimate, the American market alone comprised primarily of marijuana, cocaine, and heroin, annually produces $50 billion at retail (Figure 2 next page).3/ Other estimates place the value of the American retail market even higher at $100 billion annually.4/

The scope of this paper will be twofold. This report will examine the three major illegal drugs currently being consumed -- cocaine, heroin, and

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1/Lee, Rensselaer. Campaign 88: Briefing Papers for Candidates. Overseas Development Council, February, 1988. Washington, 1988. p. 1. See also Perl, Raphael and Surrett, Roy. Drug Control: International Policy and Options. August 31, 1988. Issue Brief 88093.

2/Kraar, Louis. The Drug Trade. Fortune, June 20, 1988. p. 27; Mills, James. The Underground Empire: Where Crime and Governments embrace. Garden City, N.Y., Doubleday, 1986, p. 1. This figure includes production, sales, and profits for all drugs worldwide.

3/United States Congress. Office of Technology Assessment. The Border War on Drugs. Washington, U.S. Government Printing Office, OTA-0-336, March, 1987. p. 9; and Kraar, 1988, p. 27.

4/Kraar, 1988, p. 27.

FIGURE 1

FOREIGN PRODUCTION ESTIMATES-ILLICIT NARCOTICS
1985-19855/

Country	1988	1987	1986	1985
OPIUM (mt)				
Afghanistan	400- 800	400- 800	400- 500	400-500
Iran	200- 400	200- 400	200- 400	200-400
Pakistan	100- 200	135- 160	140- 160	40- 70
SoWest Asia	700-1400	735-1360	740-1060	640-970
Burma	900-1200	925-1230	700-1100	490
Laos	190- 300	150- 300	100- 290	100
Thailand	35	20- 45	20- 25	35
SoEast Asia	1125-1535	1095-1575	820-1415	625
Mexico	30	45- 55	35- 50	25- 45
Other Opium	27	27		
Total	1882-2992	1902-3017	1595-2565	1290-1640
COCA (mt)				
Bolivia	50- 73,700	46- 67,000	44- 52,920	42-53,200
Colombia	19- 25,300	18- 23,000	12- 13,600	12,400
Peru	114,450	98-121,000	95-120,000	95,200
Ecuador	x - 200	x - 400	1,000	1,900
Other Coca				
Total	185-213650	162-211400	152-188320	150-162700
MARIJUANA (mt)				
Mexico	5,970	5,970-7,130	4,000-6,000	3,000-4,000
Colombia	1,650	3,435-7,760	2,530-3,630	2,000-4,000
Jamaica	300	325- 535	1,485-2,025	625-1,280
Belize	180	200	550	645
Other	1,000-2,000	1,000-2,000	800-1,000	800-1,000
Total	9,100-10100	10930-17625	9,365-13205	7,070-10925
HASHISH				
Lebanon	700	600	720	720
Pakistan	200	200	200	200
Afghanistan	200- 400	200 - 400	200 - 400	200 - 400
Morocco	- 60	- 60	30 - 60	30 - 60
Total	1160- 1360	1060 - 1260	1150 - 1380	1150 - 1380

FIGURE 2

TOTAL DRUG TRAFFIC REVENUES
(1985 gross averages in U.S. billions of dollars)6/

	Foreign wholesale	Domestic wholesale	Retail
Marijuana	$0.4	$ 6.3	$16.8
Cocaine	1.2	2.8	20.0
Heroin	—	1.0	13.8
Total.......	$1.6	$10.1	$50.6

5/Source: U.S. State Department, International Narcotics Control Strategy Report, March 1, 1988.

6/Source: OTA, The Border War on Drugs, March 1987, p. 9.

marijuana -- and discuss the international effects of narcotics trafficking in terms of increasing drug abuse in producer countries and the growing economic influence of narcotics traffickers in producer countries. Secondly, this report will profile the major trafficking organizations which have developed around these illegal narcotics, and which now control both the production and distribution stages of illicit narcotics trafficking.

ILLICIT DRUG PRODUCTION AND DISTRIBUTION

Cocaine

Virtually all of the cocaine consumed in the United States is grown in the "Silver Triangle": Peru, Bolivia, and Colombia. While Peru and Bolivia together cultivate more than 90% of the cocaine consumed in the United States, Colombia has emerged as the principal refining country. As Figure 3 (next page) shows, 75% of the cocaine available in the United States comes from Colombia, 15% from Bolivia, and by 5% from Peru.7/ According to the Drug Enforcement Administration, 95% of the chemicals necessary to manufacture cocaine in Latin America originate in the United States.8/ In dollar terms, the entire wholesale South American cocaine market in the United States has been valued at $4 billion dollars per year, of which $3 billion is accounted for by Colombia alone. In turn, Colombian trafficking organizations receive

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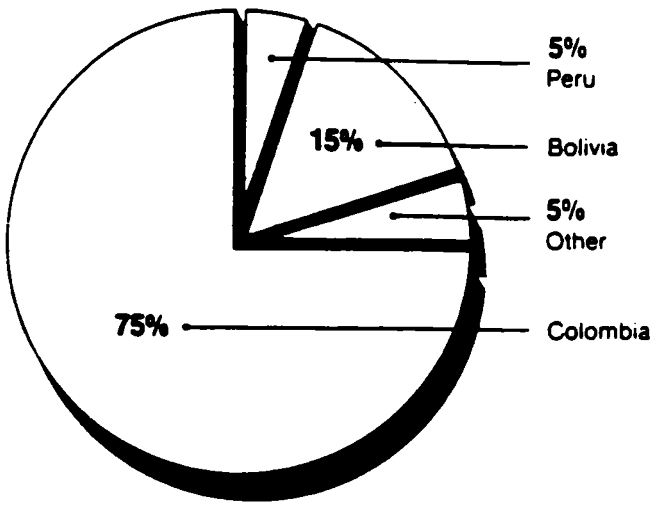
7/United States General Accounting Office. Controlling Drug Abuse: A Status Report. Special Report from the Comptroller General of the United States. GAO/GGD-88-39, May, 1988. Washington, 1988. p. 9.

8/McBride, Nicholas C. U.S. chemicals used to process illicit drugs. Christian Science Monitor, July 27, 1988. p. 3, 6.

FIGURE 3

PROBABLE SOURCES OF COCAINE AVAILABLE IN THE UNITED STATES, 1985-1986 9/



estimated annual earnings of $1.5-2.4 billion. 10/ Retail estimates of the American market run from $29-30 billion. 11/

Cocaine trafficking organizations are highly sophisticated and well-organized industries. They finance the cultivation of coca plants in Bolivia

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9/Source: The NNICC Report 1985-1986. Note: other countries include Argentina, Brazil, and Ecuador.

10/Cooper, Mary H. The Business of Illicit Drugs. Editorial Research Reports (ERR), v. 1, No. 19, May 20, 1988. p. 1; Lee, Briefing Papers, 1988, p. 3; and Lee, Rensselaer W. "Dimensions of the South American Cocaine Industry." Unpublished paper prepared for a Conference on "The Latin American Narcotics Trade and United States National Security." Mississippi State University, June 16-17, 1988. p. 4-10. The figures of estimated annual earnings represent repatriated dollars. A recent Colombian government report acknowledges that "the gross annual product from cocaine continues to be-- $2 billion a year." Joint Publications Research Service. Narcotics. July 27, 1988, pp. 14-15.

11/See Office of Technology Assessment, 1987, p. 9; and Lee, Rensselaer. "Dimensions of the South American Cocaine Industry." Unpublished paper prepared for the conference "The Latin American Narcotics Trade and United States National Security." June 16-17, 1988, Mississippi State University, pp. 4-10.

and Peru, and under cartel supervision, the peasants process dried leaves into coca paste. The cartels then transport the paste to Colombia where it is processed into pure cocaine. The cocaine is then packaged and smuggled into the United States. The cartels deliver to their own wholesale distributors in the United States, who in turn sell to a variety of organized criminal groups, independent local gangs, and individual retailers. The smuggler planes and ships are often equipped with the finest electronic equipment including encoding and scrambling devices for secure communications and high-powered receivers that allow pilots to eavesdrop on their pursuers. The cocaine cartels have also cultivated extensive ties to political establishments throughout the Western Hemisphere and consequently form powerful constituencies.12/

Heroin

Heroin consumed in the United States comes primarily from three source areas: Mexico, the "Golden Crescent" of Southwest Asia [Pakistan, Afghanistan, and Iran] and the "Golden Triangle" of Southeast Asia [Thailand, Burma, and Laos]. The latest heroin signature analysis13/ suggests that of the total available in the U.S., Mexican heroin accounts for 41%, Southwest Asia for 40-

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12/Kraar, 1988, p. 32; and Office of Technology Assessment (OTA), 1987, p. 24-32; and U.S. Congress. Senate. Caucus on International Narcotics Control. Combatting International Drug Cartels: Issues for U.S. Policy, edited by Raphael F. Perl, S. Print 100-45, 1987, pp. 2-4, 32-34.

13/Heroin signature chemical analysis identifies and quantifies selected heroin characteristics. From the resultant data, heroin exhibits are classified according to the process by which they were manufactured, which in turn enables the association of exhibits with geographic regions. Based on the exhibits analyzed, percentages of the total U.S. supply are assigned to each source region.

47%, and Southeast Asia heroin for 14-19%.14/ Law enforcement officials also point out that the proportion of heroin supplied by Mexico is higher than at any previous time.15/ The main reason for Mexico's increasing supply of heroin to the U.S. is the development of "black tar," a potent but relatively cheap form of heroin. Black tar is 60-70% pure compared to most heroin which is 4-6%.16/ The usage of "black tar" heroin has spread to virtually all major cities in the United States and is primarily responsible for the doubling of Mexican heroin production since 1984 -- from 21 mt to 45-55 mt in 1986.17/

An emerging heroin problem concerns the considerable increase in the Golden Triangle's share of the American heroin market -- from 14% in 1985 to nearly 20% in 1986.18/ Chinese organized crime societies have expanded their control over part of the heroin trade in the northeastern United States, a situation that has encouraged the development of a Chinese connection which links Southeast Asian producers with ethnic Chinese traffickers in this country.

The worldwide heroin situation is a growing concern to drug law enforcement agencies. Increasing opium production, flourishing distribution

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14/General Accounting Office, (GAO), Controlling Drug Abuse, 1988, p. 13. According to the National Narcotics Intelligence Consumers Committee (NNICC), 1987 Report, p. 53, 1985 figures were Southwest Asia 47%, Mexican 39%, and Southeast Asia 14%.

15/General Accounting Office, (GAO), Controlling Drug Abuse, 1988, p. 32

16/Cooper, ERR, 1988, p. 264; and National Narcotics Intelligence Consumers Committee. The NNICC Report 1987: The supply of illicit drugs to the United States. April, 1988. Washington, 1988. p. 54.

17/Cooper, ERR, 1988, p. 264; and U.S. State Department, International Narcotics Strategy Report, (INCSR), March 1, 1988. p. 131.

18/Cooper, ERR, 1988, p. 266; and More Heroin said to enter U.S. from Asia. Washington Post, March 16, 1988. p. A16; Chinese heroin connection hits U.S., Washington Times, March 18, 1988. p. A6; Chinese now dominate New York heroin trade, The New York Times, August 9, 1987. p. A30; and Asian drug trade exceeds estimates, Washington Times, April 6, 1988. p. A8.

networks, and escalating heroin abuse has led one U.S. official to characterize the heroin situation as "deteriorating significantly around the world."19/

Marijuana

Marijuana (cannabis) is by the far the most versatile illicit drug, at least in terms of its production. It grows under a wide range of conditions and in a variety of geographic areas. As Figure 4 (next page) points out, foreign grown marijuana consumed in the United States originates primarily in Mexico and Colombia. Mexico, in fact, supplies 30% of the total supply of marijuana available in the United States; Colombia supplies another 26%-30%. Both Jamaica and Belize are also major producers, accounting for 12% and 4%, respectively, of the total available supply of marijuana in the U.S.20/

DOMESTIC AND FOREIGN DEMAND FOR ILLICIT DRUGS

Nations with high levels of disposable income are prime candidates for consumption of illicit drugs. Drug traffickers appear to be intensifying their efforts to distribute to western industrialized nations -- including European countries and Japan -- because they are affluent and are dependable sources of hard currency. Because of the profitability of smuggling and the worldwide glut of drugs, traffickers continue to inundate the West, and the United States in particular.

19/See comments by David Westrate, Assistant Administrator for Operations of the Drug Enforcement Administration, U.S. Congress. House of Representatives. Committee on Armed Services. "Narcotics Interdiction and the Use of the Military." Committee Print No. 24, Washington, DC, GPO. August 24, 1988, p. 26.

20/General Accounting Office (GAO), Controlling Drug Abuse, 1988, p. 16

FIGURE 4

ESTIMATED SOURCES AND QUANTITIES OF MARIJUANA AVAILABLE FOR USE IN THE UNITED STATES, 1987 21/

Country	Quantity* (metric tons)	Percentage of Total Imports**	Percentage of Total Supply**
1987			
Mexico	3,100-4,200	37.1	27.9
Colombia	2,300-6,600	43.3	32.5
Jamaica	145- 285	2.2	1.7
Belize	200	2.0	1.6
Domestic	3,000-3,500	0	24.9
Other			
Southeast Asia	500-1,000	7.7	5.7
Latin America	500-1,000	7.7	5.7
Gross Marijuana Available:	9,545-16,585	100.0	100.0
Less U.S. Seizures, Seizures in Transit, and Losses:***	3,000-4,000		
Net Marijuana Available:	6,545-12,585		

More recently, the developing nations, and particularly the illicit drug-producing nations, are also providing market outlets for the traffickers. Drug traffickers appear to be increasingly targeting mass markets in poorer nations as a convenient source for income. The number of reported addicts in drug-producing countries has increased dramatically over the past five years. Pakistan, which reported no heroin addicts in 1980, today reports close to 400,000 addicts (see Figure 5 next page). 22/ Colombia believes that it may

21/Source: The NNICC Report, 1987, p. 19.

22/Agency Intensifies Efforts in Anti-Drug Fight. U.S. AID Highlights. Volume 5, No. 1, pp. 1-4.

FIGURE 5

PREVALENCE OF HEROIN ABUSE IN PAKISTAN AND ITS TREND23/

Year (End)	Heroin Abusers (Total No.)	All Drug Abusers (No. in 1000)	Heroin Abusers (% of all Abusers)
1980	5.000	1.240	0.4
1981	20.000	1.280	1.5
1982	50.000	1.320	3.8
1983	105.000	1.400	7.4
1984	225.000	1.500	15.0
1985	365.000	1.600	22.8

have as many as 600,000 regular users of coca derivatives.24/ Bolivia estimates that 20% of its young people between the ages of 14 and 24 are addicted to "bazuco" (often called a poor man's crack),25/ and some estimate that in Mexico city alone some 200,000-400,000 persons use illicit drugs. Current estimates of the number of chronic drug abusers worldwide range between 25 and 30 million people.26/

23/Source: Pakistan Narcotics Control Board, National Survey on Drug Abuse in Pakistan, 1986, p. 314.

24/Chepesiuk, Ron. The Colombia Drug Connection. Journal of Defense and Diplomacy, Volume 6, No. 4, April, 1988. p. 27.

25/United States Congress. House. Colombian Drug Trafficking and Control. Hearing before the Select Committee on Narcotics Abuse and Control. SCNAC-100-1-7, May 6, 1987, p. 23.

26/Based on unpublished sources and conversation with Dr. Millard Burr, United States Department of State, Bureau of Intelligence and Research, Narcotics Division.

Foreign Economic Dependency Created By Narcotics Trafficking

Contributing to this problem is that for many of these same countries, the production of illicit narcotics and the narcotics trade has become an economic way of life which provides a subsistence level of existence to enormous numbers of people from whom those who rule draw their legitimacy. In Bolivia, for example, the dollar value of narcotics exports reportedly exceeds that of all legitimate exports. In Peru, 20-30% of that nation's repatriated foreign exchange is estimated to be generated by the narcotics trade; for Bolivia the amount is 70-100%.27/ In addition, narcotics industries are crucial employers, especially in a region where unemployment is high. As many as an estimated one million or more South Americans work cultivating, processing, refining, and transporting, and distributing cocaine. In Bolivia, where the rate of unemployment approaches 20%, the cocaine industry employs an estimated 350,000 to 400,000 people (5-6% of the population).28/

MAJOR DRUG TRAFFICKING ORGANIZATIONS

In some cases, narcotics traders have assumed the proportions of a state within a state. Not only do they create powerful economic barriers to antidrug policies, but they also build and maintain their own armies while supporting a broad spectrum of political activities designed to enhance their public image and political influence.

27/Lee, Overseas Development Council, 1988, p. 2.

28/Germani, Claire. In Bolivia, the hard reality of coca. Christian Science Monitor, August 12, 1988. p. 7, 10; Debts of Latin nations fuel drug trafficking, experts say. Miami Herald, August 23, 1988. p. 6A; Lager, Kathryn. U.S. faces uphill battle in eradicating cocaine in Bolivia. Christian Science Monitor, October 28, 1987. p. 25; and Lee, Briefing Papers, 1988, p. 2.

The Medellin Model: Political Power, Corruption, and Violence

The most powerful, and well-organized trafficking groups are the cocaine cartels based primarily in Colombia. Having achieved extensive control over wholesale distributors within the United States (vertical integration), the cocaine cartels have garnered an ever increasing share of the profits. The primary example of such an organization is the Medellin Cartel, a loose coalition of five to ten families that controls 80% of Colombia's cocaine trade, and, as mentioned earlier, earns an estimated $1.5-2.4 billion annually. In Colombia, in particular, and to a slightly lesser degree in Bolivia and Peru, the cartel and its associates are able to purchase weapons, fund private armies, utilize extensive intelligence networks, and provide its smugglers with the latest equipment and technology.

In Colombia, despite a persistent and dedicated response by the Colombian government, the Medellin cartel appears to have corrupted officials at all levels of society. Most analysts attribute the reluctance of Colombian authorities to prosecute and/or extradite known narcotics traffickers to the successful efforts by the cartel to bribe and intimidate the underpaid, understaffed, and underarmed police force and judiciary.29/ This success is most evident in the Colombian judicial system30/ which rarely punishes the traffickers with any severity, and where only 1% of those charged with

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29/Collett, Merrill. Colombia's losing war with drug kings. Christian Science Monitor. May 13, 1988. pp. 1, 10; Riding, Alan. Intimidated Colombia Courts Yield to Drug Barons." New York Times. January 11, 1988. p. A3; Riding, Alan. In Colombia, drug money talks at the highest levels. New York Times. January 17, 1988. p. D3; The Cocaine Explosion. The Sunday Times. July 31, 1988. pp. 20-44; and Where Cocaine is King. Newsweek, February 29, 1988. pp. 37-39.

30/Washington Times, February 3, 1988. p. F3; Manchester Guardian, February 21, 1988. p. 1; and Colombia losing war with drug kings. Christian Science Monitor, May 13, 1988. pp. 9-10.

narcotics offenses are convicted.31/ In the past two years, criminal court judges released from jail or dropped charges against four major cocaine dealers.32/ Reportedly, 80% of the police force in Medellin is suspected of working for the cartel.33/

To complement its corrupting activities, the Medellin cartel actively uses widespread and often indiscriminate violence. In 1986, over 5,000 murders took place in Colombia, giving it the highest per capita ratio of murders in the world for a nation not at war.34/ Close to half of these murders occurred in Medellin province where the Drug Enforcement Administration alleges that the cartel runs a school for its assassins.35/ Over the past ten years, more than 250 reporters, columnists, editorial writers, and publishing executives have been murdered in Colombia. Moreover, Colombians have had to deal with the assassinations of two justice ministers, twelve supreme court judges, the chief of Colombia's antinarcotcis squad, and other political officials involved in the struggle against narcotics.36/ In 1988 alone, over 200 members of the

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31/When you try to say no in Colombia. Washington Times, February 3, 1988. p. F3.

32/Lee, Rensselaer. "Dimensions of the South American cocaine industry." Unpublished paper presented at the Mississippi State University Conference, June 16-17, 1988, p. 14.

33/Chepesiuk, 1988. p. 27.

34/Facing Mountain of Woes. Christian Science Monitor. May 12, 1988. p. 1, 32.

35/Chepesiuk, 1988. p. 27.

36/Silha, Otto. Paying Dearly for shedding light on the drug trade. Christian Science Monitor, August 2, 1988. p. 11; and Riding, Alan. Colombians grow weary of waging the war on drugs. New York Times, February 1, 1988. pp. A1, A14.

Colombian armed forces and police have lost their lives battling narcotics traffickers.37/

Violence is also a part of life for the cartel on another front. It is alleged that the cocaine drug mafias have a working relationship with several insurgency organizations. Available evidence indicates that to some degree the stability of governments may be threatened by relationships between cocaine traffickers in Colombia and the Revolutionary Armed Forces of Colombia (FARC) and M-19 groups; and between traffickers and the Sendero Luminosa or Shining Path insurgents in Peru.38/ The relationship, however, is complicated since in other parts of the country, the cocaine barons wage a brutal war against the most visible components of the guerrilla organizations. As large landowners and businessmen, the traffickers sometimes find themselves in competition with the insurgents for economic, political, and military influence among the population. The traffickers also apparently find the agrarian reform ideas espoused by the revolutionaries to be threatening to their long term financial interests. In the past two years, more than 600 politicians and activists who were associated with the Patriotic Union, the leftist party considered by many observers to be the political front for the Revolutionary Armed Forces of Colombia, have been assassinated. Many of these murders are attributed to the drug cartel.39/ On at least one occasion, the Cartel has

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37/Barco, Virgilio. Drug Wars: the view from Colombia. Christian Science Monitor, July 14, 1988. p. 13.

38/Narcotics: Terror's New Ally. U.S. News and World Report. May 4, 1987. pp. 30-37, and Steinetz, Mark. Insurgents, Terrorists and the Drug Trade. Washington Quarterly, Volume 8, No. 4, Fall, 1985. pp. 141-153.

39/Bernstein, Jonas. Drug murders, political wars bleed Colombia. Washington Times. August 18, 1988. p. F5.

even offered to cooperate with U.S. intelligence authorities by providing information on a variety of Colombian revolutionary groups.40/

One recent development which has led to even more bloodshed is the apparent competition for cocaine markets in the U.S. between the dominant Medellin cartel and the lesser known Cali cartel, based in Cali, Colombia. According to authorities, the battle for the control of New York City's cocaine market has led to over eighty killings in Colombia, and several dozen more in Miami and New York City.41/

Marijuana Trafficking Organizations

Marijuana traffickers are far more numerous. Typically, shipments to the United States involve several tons usually transported by either freighters or small fishing vessels. These vessels ultimately make contact with smaller vessels which transport the drugs to shore. The larger marijuana trafficking organizations in Mexico and Colombia own many ships and aircraft. They also have advanced equipment which enables them to monitor Coast Guard activities and border patrols, and determine the safest route for the drugs. In general, the marijuana organizations operate like shipping companies, buying the drugs in a source country and transporting them to the United States where they are

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40/For more detailed information, see Chespiuk, Ron. The Colombia Drug Connection. Journal of Defense and Diplomacy, Volume 6, No. 4, April 1988. pp. 26-38; Kraar, 1988, pp. 27-37; and Office of Technology Assessment, 1987, pp. 24-30; Castillo, Fabio. The Cocaine Cowboys. Joint Publications Research Service, May 16, 1988, pp. 1-158; Cooper, 1988, pp. 258-261; U.S. Congress. Senate. Caucus on International Narcotics Control. Combatting International Drug Cartels: Issues for U.S. Policy, edited by Raphael Perl, S. Print 100-45, 1987, pp. 1-81.

41/Riding, Alan. Gangs in Colombia feud over cocaine. New York Times, August 23, 1988. p. A1, A2; and Bernstein, Jonas. Drug murders, political wars bleed Colombia. Washington Times, August 18, 1988. p. F5.

sold to domestic organizations. They are highly disciplined and financially powerful.42/

Heroin Trafficking Organizations

Heroin trafficking organizations are an interesting and mysterious group of organized crime syndicates. Organizations centered in Southwest Asia are highly organized, personalized and disciplined groups. They often control the heroin system from the point of poppy cultivation all the way to the American wholesale market. Transport to the United States is usually by human couriers through Europe. Often the heroin is distributed to a trusted member of the drug trafficking organization in the U.S. who in turn distributes the heroin to other members of the organization at geographically dispersed locations in the United States.43/

Some of the most active heroin organizations, however, are in Southeast Asia. In the Golden Triangle, the remote area where the borders of Burma, Thailand, and Laos meet, the heroin trade is dominated by the Shan United Army. Led by Khun Sa, the Shan Army has over 5,000 combat troops and 10,000 support troops.44/ The Army devotes most of its time to refining opium, wholesaling heroin, and taxing rival traffickers who pass through Khun Sa's territory. Under the disciplined organization of Khun Sa, and other lesser-

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42/For more detailed information, see Chepesiuk, Ron. The Colombia Drug Connection. Journal of Defense and Diplomacy, Volume 6, No. 4, April 1988. pp. 26-38, Kraar, 1988, pp. 27-37; and Office of Technology Assessment, 1987, pp. 24-30; Cooper, 1988, pp. 258-261; U.S. Congress. Senate. Caucus on International Narcotics Control. Combatting International Drug Cartels: Issues for U.S. Policy, edited by Raphael Perl, S. Print 100-45, 1987, pp. 1-81.

43/Office of Technology Assessment, 1987, p. 28.

44/Wiant, Jon. Narcotics in the Golden Triangle. Washington Quarterly, Volume 8, No. 4, Fall, 1985. pp. 105-124; U.S. News and World Report, 1987. p. 33; and Kraar, 1988, p. 37.

known drug warlords, heroin traffickers have transformed what was historically and culturally a localized industry of opium cultivation into a global business which contributes billions of dollars to organized crime.

Although Burma and Laos are the major opium producers, an estimated 80-85% of Southeast Asian heroin passes through Thailand on its way to the United States and Europe.45/ A substantial amount of the remaining heroin is smuggled through China and Hong Kong. This routing of heroin shipments has allowed ethnic Chinese trafficking organizations to penetrate the heroin market in the northeastern United States. The Chinese traffickers have been able to do this in part because the American Mafia (La Cosa Nostra) which formerly controlled the majority of heroin shipments, has been decimated in recent years by major crackdowns on organized crime. Authorities indicate that ethnic Chinese traffickers have recently been flooding the market with shipments of "China White", Southeast Asian heroin. The syndicates that ship to the U.S. are known as Triads. The typical shipment is moved from Thailand, Burma, or Laos to Hong Kong, New York and Amsterdam. Often the profits are returned to Asia disguised as cash transfers of international trading companies. After reaching the United States, the drugs are then distributed by ethnic Chinese whose organized crime links extend to Thailand, Hong Kong, Malaysia, Taiwan, and China.

45/Kraar, 1988, p. 37, U.S. News and World Report, May 4, 1987, pp. 30-37; More Heroin said to enter U.S. from Asia. Washington Post, March 16, 1988. p. A16; Chinese heroin connection hits U.S. Washington Times, March 18, 1988. p. A6; Chinese now dominate New York heroin trade. The New York Times, August 9, 1987. p. A30; and Asian drug trade exceeds estimates. Washington Times, April 6, 1988. p. A8.

Estimates today are that 60% of the heroin coming into New York is controlled by the Chinese syndicates.46/

46/Kraar, 1988, p. 37, U.S. News and World Report, May 4, 1987, pp. 30-37; More Heroin said to enter U.S. from Asia. Washington Post, March 16, 1988. p. A16; Chinese heroin connection hits U.S. Washington Times, March 18, 1988. p. A6; Chinese now dominate New York heroin trade. The New York Times, August 9, 1987. p. A30; and Asian drug trade exceeds estimates. Washington Times, April 6, 1988.