

Jane's
**INTELLIGENCE
REVIEW**

**THE DRUG TRADE
IN
SOUTHEAST
ASIA**



SPECIAL REPORT
No 5

Jane's INTELLIGENCE REVIEW

SPECIAL REPORT No 5

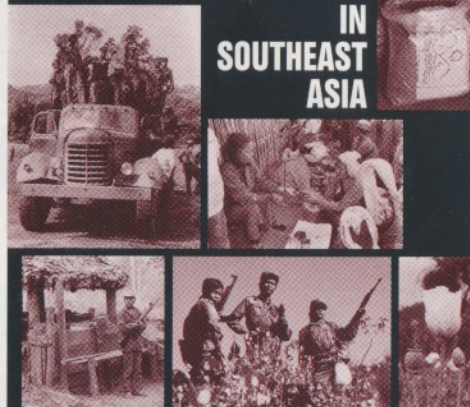
The Drug Trade in Southeast Asia

by Bertil Lintner

Bertil Lintner is a freelance journalist based in Bangkok who regularly contributes to *Jane's Intelligence Review*. He is the author of *Burma in Revolt, Opium and Insurgency Since 1948* which was published in 1994.

Jane's
INTELLIGENCE
REVIEW

THE DRUG TRADE IN SOUTHEAST ASIA



SPECIAL REPORT
No 5

Cover Photographs: (clockwise from top left) Bertil Lintner, Hseng Nong Lintner, Bertil Lintner, Bertil Lintner, Thierry Falise and Bernard Genier, Bertil Lintner.

This *Special Report* is a supplement published with the April issue of *Jane's Intelligence Review*.

This *JIR Special Report* is the fifth in a series which provides in depth analysis of topics of interest to our readers. Four *Special Reports* are planned for publication in 1995. They are one of the benefits available with a paid subscription to *JIR*.

Individual sale price if sold separately: £20/US\$30.

Editors: Robert Hall, Ian Kemp
Art Editor: Jeffrey Pye
Layout: Anita Slade
Map: Barry Compton

JIR References: Ashton W, 'The Burmese Navy', Vol 6, No 1, pp 36-37. Ashton W, 'The Burmese Air Force', Vol 6, No 10, pp 463-466. Ashton W, 'Chinese Bases in Burma — Fact or Fiction?', Vol 7, No 2, pp 84-87. Klepak H P, 'The Use of the Military and the Illicit Drugs Trade', Vol 4, No 11, pp 521-525. Klepak H P, 'The International Drugs Trade — There's Room for All', *JIR Yearbook, The World in Conflict 1994/95*, pp 25-29. Lintner B, 'The Burmese Military — Five Years On', Vol 5, No 10, pp 466-476. Lintner B, 'The Indo-Burmese Frontier — A Legacy of Violence', Vol 6, No 1, pp 38-44. Lintner B, 'The Volatile Yunnan Frontier', Vol 6, No 2, pp 84-92.

Published monthly, *Jane's Intelligence Review* is only available by annual subscription of £149 at UK rates (\$250 at US rates) per annum from Jane's Information Group, Sentinel House, 163 Brighton Road, Coulsdon, Surrey, CR5 2NH, United Kingdom. Telephone +44 (81) 763 0413 (subscriptions) or +44 (81) 763 1030 (editorial). Telex: 916907. Fax +44 (81) 763 1572 (subscriptions) or +44 (81) 763 1423 (editorial)

US subscriptions from Jane's Information Group Inc, 1340 Braddock Place, Suite 300, Alexandria, VA 22314-1651, USA. Telephone +1(703) 683 3700 (Inside USA +1(800) 321 5358).

EXECUTIVE SUMMARY

Executive Summary

Overview

- The production of opium in the Burmese sector of the Golden Triangle — the region where the borders of Burma, Laos and Thailand meet — has more than doubled in recent years. About 70 per cent of heroin in the USA is produced from Golden Triangle opium, of which 98 per cent comes from Burma. Burmese heroin is smuggled to Australia, Europe and throughout Asia. In the wake of the drug trade, HIV and AIDS have exploded in Asia threatening to overwhelm the often inadequate regional health services.

USA and Western Europe. The Japanese *yakuza* and North Korea are widely suspected of being active in the heroin trade and the involvement of Russian criminal gangs is growing.

- It would be impossible for the drug trade to operate without the co-operation of local officials in the producer and transit countries. The connection between organized crime, local politicians and 'dirty' money has recently been exposed in Thailand.

New Routes — New Markets

- Since 1989, China has become a lucrative heroin market and a major route for Golden Triangle heroin destined for the West. With up to two million drug addicts, China is threatened with a disastrous drug epidemic and organized crime is again flourishing. Beijing has demanded that the Burmese government take action against the traffickers. Cambodia has become a new route for the heroin traffic and a major centre of black market arms dealing and money laundering while Vietnam is also becoming an important transit route. Drug abuse is increasing throughout Southeast Asia and new markets have been opened in China and Taiwan since 1989.

A Political Solution Needed

- During the Cold War, Western anti-drug efforts were crippled by the need for regional allies. US pressure is being directed at Thailand and China to interdict traffickers but international agencies have failed to address the root cause of the Golden Triangle drug trade. Until there is a lasting political solution to Burma's ethnic and political strife, the flow of Burmese heroin will continue.

Background

- Dramatic changes in the pattern of opium production, the location of heroin refineries and the opening of new smuggling routes followed the suppression of the 1988 popular uprising in Burma and the 1989 mutiny which shattered the Communist Party of Burma into smaller ethnic factions. To isolate the pro-democracy activists from the ethnic rebels, Burma's military government negotiated cease-fire agreements with the ethnic armies which permit them to retain their arms and engage in the narcotics trade. The agreements have not solved Burma's ethnic conflict and there are up to 30 000 armed personnel beyond government control. These rebel armies protect and sometimes run the laboratories which process locally grown opium into heroin.

Organized Crime

- The distribution of Golden Triangle heroin is carried out largely by international ethnic-Chinese gangs, the Triads or Secret Societies, which are present in Chinese enclaves throughout the world. Nigerian gangs are gaining importance in smuggling heroin to the

The Drug Trade in Southeast Asia

The Magnitude of the Problem

Western and Asian narcotics officials estimate that the production of illicit narcotics in the Burmese sector of the Golden Triangle — where the borders of Burma, Laos and Thailand intersect — has more than doubled over the past few years. During the 1987-88 harvesting season, the yield amounted to less than 1000 tons of raw opium while in 1992-93 more than 2500 tons were produced. The figure for 1993-94 is somewhat lower, but the acreage under poppy cultivation remains the same. This indicates that the weather rather

than drug enforcement measures is the cause for the slight decline.

Until only a few years ago, nearly all laboratories where raw opium was refined into high-value heroin were located along Burma's border with Thailand. The main kingpin was the local warlord Chang Chifu, alias Khun Sa, who controlled that area. Since 1989, however, he has lost ground to a new generation of more influential and better-connected heroin barons in the Kokang area and the Wa Hills of northern Shan State, adjacent to the Yunnan frontier.

A new string of heroin refineries has been



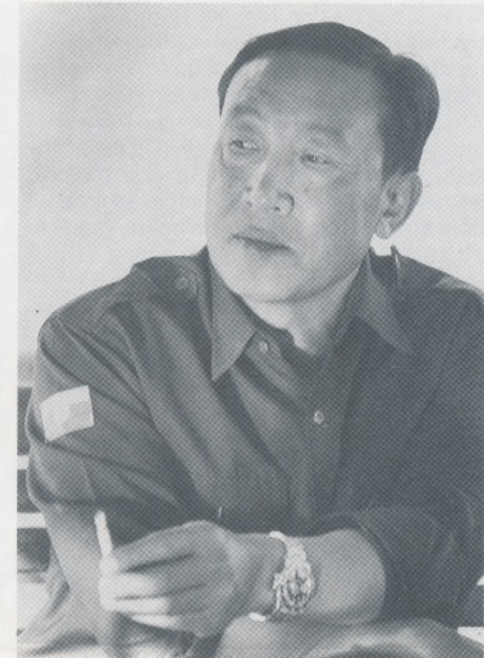
Opium poppies. More than 2500 tons of raw opium are estimated to have been harvested in the Golden Triangle in 1993. (Photograph: Bertil Lintner)

established in the northeastern corner of Shan State, conveniently located near the main growing areas and, equally important, close to the rapidly growing Chinese drug market and to seemingly easier smuggling routes through Yunnan to the outside world. An entirely new market is Taiwan, which until 1989 was virtually heroin free. Today, law enforcement officials in Taiwan describe heroin as one of their most serious problems. Drug abuse is also increasing in Vietnam, and narcotics from Burma are flooding India and Bangladesh as well.

Some 70 per cent of all the heroin in the USA now comes from the Golden Triangle, of which 98 per cent originates in Burma. This is an increase from less than 15 per cent in the mid-1980s. Drug abuse of all kinds costs the USA an estimated US\$76 billion a year. In Australia, a country with 30 000 addicts — approximately the same proportion of addicts to the total population as in the USA — 75 per cent of all heroin comes from the Burmese sector of the Golden Triangle, with five per cent from Laos and Thailand. Western Europe is believed to be the next most lucrative market. After customs and immigration procedures between the various member states of the European Union have been abolished, it will become almost impossible to control the traffic.

The problem is exacerbated by the fact that the drug traffic is closely connected with other major crime. A United Nations conference on organized crime, held in Rome in November 1994, concluded that an estimated US\$750 billion worth of drug money is laundered every year. The money, which is controlled by international drug syndicates, contributes to the strengthening of the economic and political power of these crime gangs all over the world.

In Southeast Asia, the subversive nature of this influence is evident in Cambodia, which over the past few years has emerged as a major centre for money laundering as well as a major transit route for drugs leaving the Golden Triangle for world markets. This is a direct outcome of the internal turmoil in Cambodia, as is the booming arms trade in that country. Decades of war have left vast quantities of arms in Cambodia and heavier



The powerful Burmese warlord Chang Chifu, alias Khun Sa, operates several refineries in northern and southern Shan State. In recent years, new dealers along the Yunnan frontier have successfully challenged his dominance of the Burmese drug trade. (Photograph: Hseng Nong Lintner)

weapons such as SAM-7 manportable surface-to-air missiles, machine guns, recoilless rifles and rocket launchers find their way to various armed drug groups in the Golden Triangle. Smaller weapons are bought by crime syndicates elsewhere in Asia.

The same syndicates which smuggle drugs to the West now also control the traffic in illegal immigrants, mostly from China's coastal Fujian province, to the USA, Australia and Europe. This multi-million dollar business is posing a threat to labour markets in all three continents.

To compound the problem, HIV and AIDS have followed in the wake of the drug explosion in Southeast Asia. More than 40 per cent of all AIDS deaths in Thailand occur in the northern provinces of Chiang Rai and

The Drug Trade in Southeast Asia

The Magnitude of the Problem

Western and Asian narcotics officials estimate that the production of illicit narcotics in the Burmese sector of the Golden Triangle — where the borders of Burma, Laos and Thailand intersect — has more than doubled over the past few years. During the 1987-88 harvesting season, the yield amounted to less than 1000 tons of raw opium while in 1992-93 more than 2500 tons were produced. The figure for 1993-94 is somewhat lower, but the acreage under poppy cultivation remains the same. This indicates that the weather rather

than drug enforcement measures is the cause for the slight decline.

Until only a few years ago, nearly all laboratories where raw opium was refined into high-value heroin were located along Burma's border with Thailand. The main kingpin was the local warlord Chang Chifu, alias Khun Sa, who controlled that area. Since 1989, however, he has lost ground to a new generation of more influential and better-connected heroin barons in the Kokang area and the Wa Hills of northern Shan State, adjacent to the Yunnan frontier.

A new string of heroin refineries has been



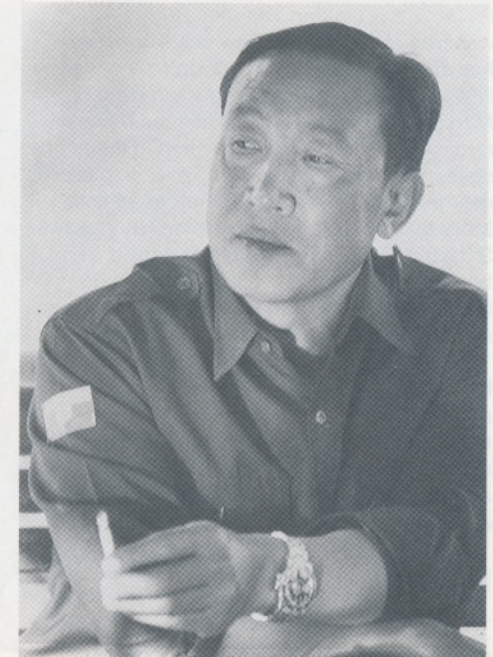
Opium poppies. More than 2500 tons of raw opium are estimated to have been harvested in the Golden Triangle in 1993. (Photograph: Bertil Lintner)

established in the northeastern corner of Shan State, conveniently located near the main growing areas and, equally important, close to the rapidly growing Chinese drug market and to seemingly easier smuggling routes through Yunnan to the outside world. An entirely new market is Taiwan, which until 1989 was virtually heroin free. Today, law enforcement officials in Taiwan describe heroin as one of their most serious problems. Drug abuse is also increasing in Vietnam, and narcotics from Burma are flooding India and Bangladesh as well.

Some 70 per cent of all the heroin in the USA now comes from the Golden Triangle, of which 98 per cent originates in Burma. This is an increase from less than 15 per cent in the mid-1980s. Drug abuse of all kinds costs the USA an estimated US\$76 billion a year. In Australia, a country with 30 000 addicts — approximately the same proportion of addicts to the total population as in the USA — 75 per cent of all heroin comes from the Burmese sector of the Golden Triangle, with five per cent from Laos and Thailand. Western Europe is believed to be the next most lucrative market. After customs and immigration procedures between the various member states of the European Union have been abolished, it will become almost impossible to control the traffic.

The problem is exacerbated by the fact that the drug traffic is closely connected with other major crime. A United Nations conference on organized crime, held in Rome in November 1994, concluded that an estimated US\$750 billion worth of drug money is laundered every year. The money, which is controlled by international drug syndicates, contributes to the strengthening of the economic and political power of these crime gangs all over the world.

In Southeast Asia, the subversive nature of this influence is evident in Cambodia, which over the past few years has emerged as a major centre for money laundering as well as a major transit route for drugs leaving the Golden Triangle for world markets. This is a direct outcome of the internal turmoil in Cambodia, as is the booming arms trade in that country. Decades of war have left vast quantities of arms in Cambodia and heavier



The powerful Burmese warlord Chang Chifu, alias Khun Sa, operates several refineries in northern and southern Shan State. In recent years, new dealers along the Yunnan frontier have successfully challenged his dominance of the Burmese drug trade. (Photograph: Hseng Nong Lintner)

weapons such as SAM-7 manportable surface-to-air missiles, machine guns, recoilless rifles and rocket launchers find their way to various armed drug groups in the Golden Triangle. Smaller weapons are bought by crime syndicates elsewhere in Asia.

The same syndicates which smuggle drugs to the West now also control the traffic in illegal immigrants, mostly from China's coastal Fujian province, to the USA, Australia and Europe. This multi-million dollar business is posing a threat to labour markets in all three continents.

To compound the problem, HIV and AIDS have followed in the wake of the drug explosion in Southeast Asia. More than 40 per cent of all AIDS deaths in Thailand occur in the northern provinces of Chiang Rai and

THE DRUG TRADE IN SOUTHEAST ASIA

Payao in the Golden Triangle. Burma, which was free of AIDS only a few years ago, now has an estimated 200 000 people carrying the HIV virus. The northeastern Indian state of Manipur, bordering Burma, has the highest rate of AIDS and heroin addiction in India. The state, with a population of 1.8 million, has an estimated 30 000 to 40 000 heroin addicts. More than half are believed to be HIV-positive. Similarly, Ruili, across Burma's northern border with Yunnan, has the highest incidence of AIDS and HIV in China. The area is home to two-thirds of the approximately 1000 people which the Chinese government has admitted are HIV-positive. The actual number of infected people in China is believed to be much higher. Yunnan has more drug addicts than any other province in China and prostitution is also rampant in the border areas.

Background

The dramatic changes in the overall pattern of opium production, the location of heroin refineries and the opening up of new smuggling routes have emerged in the wake of two recent political events in Burma: the crushing of a popular uprising against military rule in 1988 and an unrelated mutiny the following year among the rank and file of the country's most powerful insurgent army, the Communist Party of Burma (CPB).

In August-September 1988, millions of people in virtually every town and major village across Burma took to the streets to demand an end to 26 years of stifling military rule and for the restoration of the democracy which existed in Burma before the army took over in a coup d'etat in 1962. Burma's military establishment responded fiercely. Thousands of people were gunned down as the army moved in to shore up a regime overwhelmed by popular protest. In the wake of the massacres in Rangoon and elsewhere in the country, more than 8000 pro-democracy activists fled the urban centres for the border areas near Thailand where a multitude of ethnic insurgencies, not involved in the narcotics trade, were active.

The 1988 urban uprising shook the military establishment and it feared a potentially

dangerous alliance between the ethnic rebels along its frontiers and the pro-democracy activists from Rangoon and other towns and cities. However, these rebels groups, Karen, Mon, Karenni and Pa-O, along the Thai border were unable to provide the urban dissidents with more than a handful of weapons. None of the ethnic groups could match the strength of the CPB whose 10 000-15 000 troops then controlled a 20 000 km² territory along the Sino-Burmese frontier in the northeast. Unlike the ethnic insurgents, the CPB had vast quantities of arms and ammunition, which were supplied to it by China during 1968-78 when it was Beijing's policy to support communist insurrections in Southeast Asia. Although the aid had virtually ceased by 1980, the CPB still had vast stockpiles of munitions, probably enough to last for at least 10 years of guerrilla warfare against the central government in Rangoon.

Despite government claims of a 'communist conspiracy' there was at that time no linkage between the anti-totalitarian, pro-democracy movement in central Burma and the orthodox, Marxist-Leninist CPB. However, given the strong desire for revenge for the bloody events of August-September 1988 it is plausible to assume that the urban dissidents would have accepted arms from any source. Thus it became imperative for the new junta, the State Law and Order Restoration Council (SLORC), to neutralize as many of the border insurgencies as possible, especially the CPB.

A situation which was potentially even more dangerous for the SLORC arose in March-April 1989 when the hill-tribe rank and file of the CPB led by the military commanders, who also came from the various minorities of its northeastern base area, mutinied against the party's ageing, mostly Burmese political leadership. On 17 April 1989, ethnic Wa mutineers stormed party headquarters at Panghsang on the Yunnan border. The old leaders and their families, altogether about 300 people, escaped to China while the former CPB army soon split up along ethnic lines and formed four different, regional resistance armies.

● The United Wa State Army (UWSA), led by Chao Ngi Lai and Pao Yochang, comprised the bulk of the old CPB's fighting force, about

THE DRUG TRADE IN SOUTHEAST ASIA



Wa troops of the Communist Party of Burma. On 17 April 1989, Wa mutineers stormed the party's headquarters at Panghsang on the Yunnan border. The former CPB army has since split along ethnic lines. The United Wa State Army is thought to number more than 10 000 fighters controlling the Wa Hills, a major opium growing area. (Photograph: Bertil Lintner)

8000-10 000 men at the time of the mutiny. This figure was soon to increase as the UWSA began procuring more weapons from China and Thailand. It is based in the Wa Hills, the centre of what used to be the CPB's base area along the Yunnan frontier and a major opium growing area.

● The Myanmar National Democratic Alliance Army (MNDAA), first led by two brothers, Pheung Kya-shin and Pheung Kya-fu, became the new group in Kokang, a small district north of the Wa Hills, which is inside Burma but dominated by ethnic Yunnanese. Kokang traditionally produced the best opium in Southeast Asia. The strength of the MNDAA is approximately 1500 men.

● The National Democratic Alliance Army is a third ex-CPB grouping led by Lin Mingxian (Sai Lin) and Zhang Zhiming (Kyi Myint), two former Red Guards from Yunnan who had joined the CPB as volunteers during the

Cultural Revolution and then stayed on. It is based in eastern Shan State, in the hills north of Kengtung where the borders of Burma, China and Laos meet. Previously known as the 815 War Zone of the CPB, the area is now called '369', which has to do with Chinese numerology. It is very rich in opium. The strength of the army is estimated at 3500-4000 men.

● The New Democratic Army (NDA) with less than 1000 men is the smallest of the former CPB forces. It is led by Ting Ying and Zalun and its area of operation is around the Kambaiti, Panwa and Hpimaw passes on the Yunnan frontier in Kachin State. Although some poppies are grown near Kambaiti, this is not a major drug producing area.

A link-up between these four groups and the ethnic minority groups along the Thai border, as well as the urban dissidents who had taken refuge there, became a possibility that worried the SLORC. A delegation was

THE DRUG TRADE IN SOUTHEAST ASIA

sent from the dissidents to negotiate with the CPB mutineers soon after the break-up of the party. The authorities in Rangoon reacted faster, with more determination and with much more to offer than the ethnic rebels. Within weeks of the CPB mutiny, the chief of Burma's military intelligence agency, Major General Khin Nyunt, travelled to the border to meet Pheung Kya-fu, Chao Ngi Lai and other leaders of the mutiny. Alliances of convenience were forged between Burma's military authorities and various groups of mutineers. In exchange for promises not to attack government forces and to sever ties with other rebel groups, the CPB mutineers were granted unofficial permission to engage in any kind of business to sustain themselves. Rangoon also promised to launch a 'border development programme' in the former CPB areas.

Ironically, at a time when almost the entire population of Burma had turned against the regime, thousands of former insurgents thus rallied behind the ruling military. The threat from the border areas was thwarted, the regime was safe, but the consequences for the country, and the outside world, were disastrous. The term 'business' in Burma's northeast inevitably means opium and heroin.

Chemicals, mainly acetic anhydride, which are needed to convert raw opium into heroin,

were brought by truck from India and, within a year of the CPB mutiny, intelligence sources claimed that there were at least 17 new heroin refineries in Kokang and the adjacent former CPB territory west of the Salween. Four were located near the former CPB's Northern Bureau headquarters at Mōng Ko; six at Mōng Hom, about 20 km to the south; two at Nam Kyaun; one at Loi Kang Mōng, south of the Hsenwi-Kunlong road; and four inside Kokang, east of the Salween. In the Wa Hills, six refineries were located and their processing rate reportedly doubled during the first half of 1990. In Lin Mingxian's area in eastern Shan State, new heroin refineries began operating near the Man Hpai headquarters of the former '815 War Zone', and at Loi Mi mountain near the border town of Mōng La, opposite the Yunnanese market town of Daluo.

With the collapse of the communist insurgency, several smaller ethnic rebel armies also gave in. The 2000-strong Shan State Army (SSA), which for decades had waged a war for autonomy for the Shan State, made peace with Rangoon on 24 September 1989 and was granted timber concessions in the Hsipaw area in northern Shan State. Urban dissidents, who had been staying with the SSA, either surrendered or moved to the Thai border.

THE DRUG TRADE IN SOUTHEAST ASIA

Other ethnic groups which have ended their struggle against the central government include:

- The Kachin Democratic Army (KDA), the former 4th Brigade of the Kachin Independence Army (KIA), which operated in northeastern Shan State. It broke away from the main KIA to make peace with Rangoon on 11 January 1991.
- The Pa-O National Army (PNA), whose 600-700 men were active in the Pa-O area in the hills around the Shan State capital of Taunggyi, concluded a peace agreement with the government on 18 February 1991.
- The Palaung State Liberation Army (PSLA) in northern Shan State made peace with Rangoon on 21 April 1991. Its strength is estimated at 700-800 men.
- The Kayan Home Guards, a small, perhaps 100 strong, break-away faction of the Kayan (Padaung) Army in southern Shan State made peace on 27 February 1992.
- The Kachin Independence Army (KIA), with 8000 men in arms, was once one of

Burma's most powerful ethnic rebel armies. It entered into an agreement with the SLORC in October 1993 and signed a formal cease-fire agreement with Rangoon in February 1994. As a result, several pro-democracy activists, who had fled to the KIA-controlled area in the north, surrendered in early July 1994.

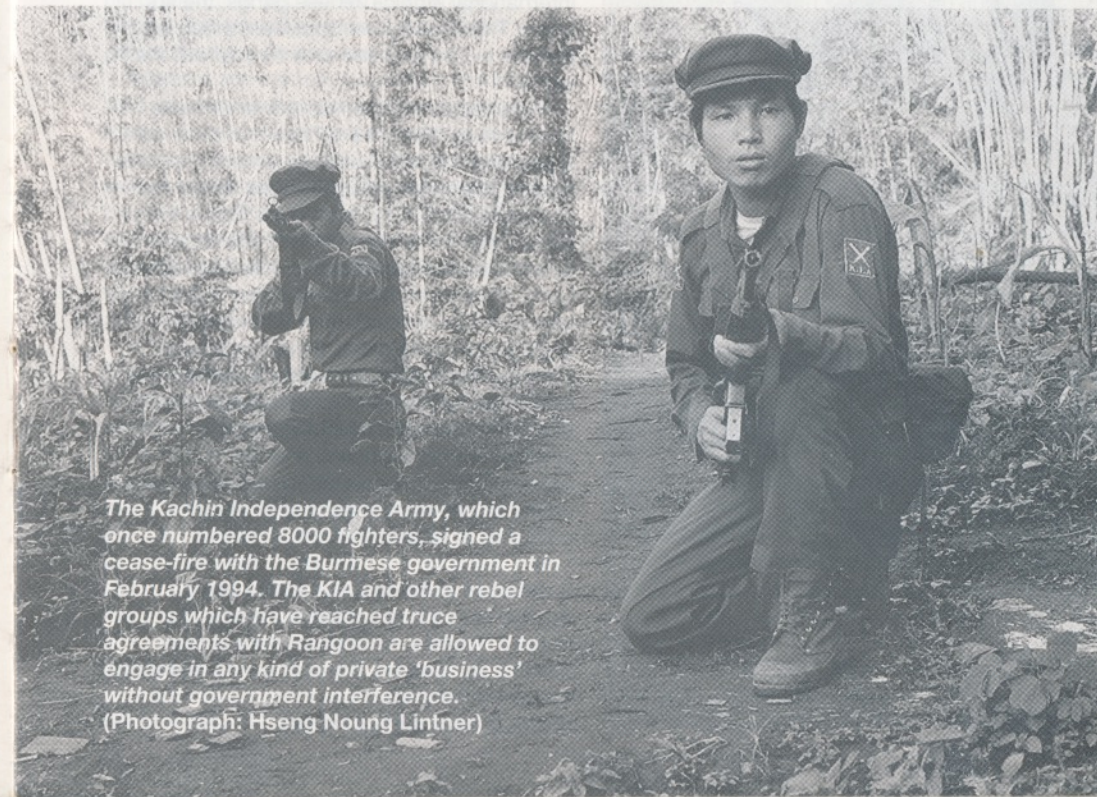
- The Karenni Nationalities People's Liberation Front (KNPLF), a CPB-allied Karenni faction with perhaps 300-400 men in arms, made peace with Rangoon on 9 May 1994.
- The Kayan Newland Party (KNLP), a 100-strong Kayan (Padaung) rebel group in southern Shan State, made peace on 26 July 1994.
- The Shan State Nationalities People's Liberation Organization (SSNPLO), another Pa-O faction with 800-900 men active in the hills around Taunggyi, made peace with Rangoon on 9 October 1994.

Only a handful of groups along the Thai border remain in armed opposition to Rangoon, notably the Karen National Union,

Opium Production, Heroin Exports and Seizures in Burma 1987-93

	Opium Cultivation (hectares)	Heroin Production (metric tons)	Heroin exports (metric tons)	Heroin seizures (metric tons)	Seizures as % of production
1987	92 300	53	51	0.05	0.15
1988	103 200	68	66	0.09	0.13
1989	142 742	128	123.5	n.a.	n.a.
1990	150 100	180	174.5	0.24	0.16
1991	161 012	185	181.5	0.18	0.18
1992	153 700	180	174.5	0.27	0.2
1993	165 800	190	186.5	n.a.	n.a.

Source: US State Department



The Kachin Independence Army, which once numbered 8000 fighters, signed a cease-fire with the Burmese government in February 1994. The KIA and other rebel groups which have reached truce agreements with Rangoon are allowed to engage in any kind of private 'business' without government interference. (Photograph: Hseng Nong Linfner)

THE DRUG TRADE IN SOUTHEAST ASIA

the New Mon State Party, the Karenni Army and the All-Burma Students Democratic Front, with a combined strength of perhaps 4000 fighters. The Mông Tai Army (MTA) of opium warlord Khun Sa, which fields an estimated 16 000-18 000 men, has become militarily the strongest rebel force in the country. However, Khun Sa has actually lost control over much of the heroin trade to the ex-CPB forces.

There are still another 20 000-30 000 armed



personnel in Burma who are not under any governmental control. According to the terms of the cease-fires, the various groups have been allowed to retain their arms and control over their respective areas. The cease-fires have frozen rather than solved Burma's decades-long ethnic conflict. Some groups, such as the Was, have even strengthened their forces since the cease-fire.

Organized Crime and Money Laundering

It is a common mistake to assume that the international narcotics trade is run by rebel armies in the Golden Triangle. The role of these groups is actually confined to protecting, and in some cases running, laboratories in which locally grown raw opium is refined into heroin. The rustic peoples of the Burma-Yunnan frontier do not have the means to distribute the heroin to addicts in East Asia, Australia, Europe and North America. Traditionally, this is done by international ethnic-Chinese gangs, the so-called Triads or Secret Societies, which are present in Chinese enclaves throughout the world.

Many leaders of the Nationalist Chinese Kuomintang (KMT) were Triad members who supported the Nationalist government's battle against the communists in China. Since the communist's 1949 victory, most Triads have been based in Hong Kong and Macau from where they have maintained their international links. These brotherhoods are tied together by almost religious rituals in order to avoid betrayal by fellow members of the group. Despite the Masonic rites and paraphernalia, which may appear almost comical to many Western observers, Chinese organized crime is extremely powerful and their contacts extend to large, respectable businesses and even into government circles in many countries in East Asia.

A member of Khun Sa's private army guards a crossing on the Burmese-Thai border. Thailand is the most important conduit for Golden Triangle heroin destined for world markets.

(Photograph: Bertil Lintner)

THE DRUG TRADE IN SOUTHEAST ASIA

In the Golden Triangle, the drug trade was originally built up by KMT remnants who retreated from Yunnan into the Shan State of Burma following their defeat in the Chinese Civil War. Supported by Taiwan and US intelligence agencies, they continued their seemingly hopeless struggle to reconquer the mainland from sanctuaries in northern Burma. In a 1967 interview, KMT General Duan Xiwen stated: "We have to continue to fight the evil of communism and to fight you must have an army, and an army must have guns, and to buy guns you must have money. In these mountains, the only money is opium."

Remnants of the KMT, connected with organized crime in Hong Kong, Macau, Taiwan, Thailand and Malaysia came to dominate the Golden Triangle drug trade for several decades. Rival KMT groups have also maintained close links with Khun Sa, whose most powerful military commanders are also Chinese with KMT connections, for instance his chief of staff, Chang Shu-chuan (a KMT veteran from Manchuria who is also known by his Shan name Sao Hpalang) and Leng Chong-ying (alias Leng Seun, an ex-KMT officer from the Beijing area).

Western anti-narcotics agents in Southeast Asia emphasize that it would be impossible for the drug traffic to operate without the co-operation of local officials in the producer as well as transit countries. The connection between organized crime, local politicians and dirty money has only recently been exposed in Thailand, traditionally the most important conduit for Golden Triangle heroin destined for world markets.

In May 1994, Washington announced that a Thai member of parliament, Thanong Siripreechabong, had been indicted by a US court for "conspiracy to smuggle more than 47 tons of marijuana into the United States between 1977 and 1987". The next MP to be mentioned publicly, in connection with heroin not just marijuana, was Mongkhon Chongsuthanamanee from the northern Thai city of Chiang Rai. It was announced that he had been refused entry to the USA because of suspected involvement in the Golden Triangle drug trade.

A bombshell came in July 1994 when the US Embassy in Bangkok confirmed that

Vatana Asavahame — a former deputy interior minister and deputy leader of Chart Thai, the country's biggest opposition party — had been denied an entry visa into the USA. The clause of the US Immigration and Nationality Act cited empowers the US authorities to reject applicants if "there is reason to believe that he is or has been an illicit trafficker in a controlled substance and/or has been a knowing assistant, abettor, conspirator or colluder with others in illicit trafficking of controlled substances".

Vatana represents Chart Thai for a constituency near Bangkok, but has extensive business interests and investments in Chiang Rai in the north, which local sources say may amount to as much as Baht 400 million (US\$16 million). Over the past few years, he has acquired large plots of land on the bank of the Mekong river near Chiang Saen and the tri-border junction between Thailand, Burma and Laos. A shopping plaza and hotel complex is under construction there and Vatana is also building speed boats which are meant to ply between Chiang Saen and Jinghong in China. Intelligence sources suspect some of these projects may be financed with black-market money. Vatana's land deals have been rocked by controversy. In 1994, several people who had been involved in selling the land to Vatana were assassinated near Chiang Saen. The man behind the killings has been identified as Kamnan Leuk, the local headman of Ban Tak Mao Pleun village near Chiang Rai and an infamous local gangster with high-level contacts. Both Vatana and Kamnan Leuk are said to be connected with Veerapol Mutamara, an associate of Narong Wongwan, the prime minister-elect who in March 1992 was denied a US visa in the first such move by Washington. Narong did not assume office and the incident triggered a major political crisis in Thailand.

Both Veerapol and Narong, as well as Mongkhon, were founding members of the Ruam Thai party which was formed to contest the 1988 election in Thailand. Led by Narong, the party received backing from many 'influential persons', the Thai euphemism for politicians and local officials who are linked to crime, and did well in the north. Both

THE DRUG TRADE IN SOUTHEAST ASIA

THE DRUG TRADE IN SOUTHEAST ASIA



THE DRUG TRADE IN SOUTHEAST ASIA

Veerapol and Mongkol were elected in Chiang Rai and Narong won in his home province of Phrae. The party made some headway elsewhere in Thailand and a larger political organization, the Samakkhi Tham Party (STP), was formed in time for the next election in March 1992.

The STP was a marriage of convenience between Narong's Ruam Thai and powerful military officers belonging to Class Five of the Chulachomklao military academy. It also included other 'influential persons' such as Sonthaya Khunpluem, the son of Somchai Khunpluem (also known as Kamnan Poh), the alleged 'godfather' of the port city of Chonburi, which is also a major centre for smuggling. His influence extends everywhere from local politics up to the national level.

The STP swept the March 1992 election but was forced out of office by a popular uprising in May 1992 against the choice of General Suchinda Kraprayoon, a non-elected Class Five alumni, to replace Narong as prime minister. Since the collapse of the STP, Narong joined Chart Thai and Mongkol went to the break-away faction Chart Pattana. Veerapol had retired from politics even before the elections of 1992 and now is a prominent businessman in Chiang Rai.

US efforts to expose Thai official complicity in the drug traffic appear to be an attempt to disrupt the flow of narcotics from the hills of the Golden Triangle to airports and sea lanes further to the south. Thailand ceased in the mid-1980s to be a major producer of opium and the potent derivative heroin, but it remains an important transit country for drugs from primarily the Burmese sector of the Golden Triangle. It is here that the 'influential persons' become involved. They are well-connected with local civilian and military authorities and also enjoy what in effect amounts to judicial immunity in Thailand. It is believed that drugs destined for the world market pass through Thailand via their networks of relatives, friends and local contacts. Drug experts have, for instance, been quick to point out that Mongkol's brother, Arun Chongsuthanamaanee, was arrested with three others in Hat Yai in May 1987. The police found 14.2 kg of heroin in their hotel rooms at the time. Arun is now

-serving a long prison sentence for drug trafficking.

A major problem in Thailand, a fledgling democracy which is struggling to achieve political stability, is the long-standing practice of vote buying. In every election, millions of dollars are spent on securing votes for powerful candidates. Only a tiny fraction of this money actually goes to paying off voters; the bulk is spent on financing gangsters who enforce the will of the politicians and make sure that people vote for the 'right' candidate. Money rules politics in Thailand's provinces and in cities like Chiang Rai the fastest and easiest money comes from the local drug trade.

China — The Return of Drug Abuse

The CPB mutiny in 1989 and the subsequent cease-fires with the government in Rangoon dramatically altered the drug map of Southeast Asia. The heroin trade flourishes as never before and new markets and routes have been opened. With the setting up of new refineries along the Yunnan frontier, Khun Sa's role as a middleman along the Thai border has been substantially reduced. New trading routes have been developed across the border into Yunnan and on to ports along the coast of southern China.

Officially, the former CPB commanders are barred from entering China because of their known involvement in the drug trade. However, the fact that all of them had been operating for years along the Sino-Burmese border means that they have long-standing working relationships with Chinese security authorities. This personal friendship enables them to visit China regularly and own property, including hotels and private houses across the border.

Within a year of the CPB mutiny, China had become a major transshipment route for Golden Triangle heroin destined for the West. From being a transit country, China soon developed into a lucrative market for the traffickers. The communist government almost wiped out opium cultivation and drug abuse in the 1950s. Now, China has more addicts than most countries in the region and is facing a drug epidemic of potentially

THE DRUG TRADE IN SOUTHEAST ASIA

disastrous dimensions. The country now officially counts 250 000 drug addicts, with Yunnan having the highest rate of addiction. The US State Department's narcotics bureau estimates that the real figure is two to three times greater. Some sources estimate the number of drug users in China at two million.

The degree to which the influx of drug money had affected politics and society in Yunnan became evident in late 1992 when the Chinese journal *People's Armed Police News* reported in its 13 December issue that a major military operation had been carried out against drug traffickers in Yunnan for "over two months beginning on 31 August". The target was Pingyuan, a town near the Vietnamese border, which served as a major smuggling centre for Chinese contraband entering Vietnam before that border was opened to legal trade in late 1991. The economy of the area was in the hands of the ethnic Yunnanese Muslims — Panthays or Hui as they are called in China — who have dominated the caravan trade in Burma for more than a century. Through their contacts throughout the Golden Triangle, Panthay drug smuggling rings had built up an extensive network of routes from Burma through southern China and beyond. By 1992, Pingyuan had become a "country within the country" giving safe haven to outlaws and bandits from across China, the unusual report in the *People's Armed Police News* stated. Thousands of heavily armed paramilitary troops from the People's Armed Police (PAP), supported by tanks and other armoured vehicles, eventually moved in. The fighting lasted for 80 days. When it was over, the Chinese commanders found that drug barons were living in luxury villas with dancing girls and karaoke bars. Among them was Ma Siling, who was found owning a fortified villa in Pingyuan despite having been officially sentenced to death by a local court in Yunnan for drug trafficking. Significantly, knowledge of the operation in Pingyuan was kept secret from low-level officials in Yunnan. In the operation, 854 people were arrested and 981 kg of drugs seized along with 353 assorted weapons.

Another drive against drug trafficking in

Yunnan was launched in mid-1994. It followed the arrest on 9 May of Yang Muxian, a younger brother of Yang Muliang, the commander of the MNDA in Kokang, one of the cease-fire groups that had been afforded the status of local militia by the Burmese government. Yang was charged with smuggling hundreds of kilograms of heroin into Yunnan. Yang was executed in Kunming, the provincial capital of Yunnan, in October 1994 along with 16 other accomplices. Two of them were local police officers and two were police officers from the coastal province of Fujian. The involvement of the police reflected official complicity in the trade while the presence of the Fujianese showed links with organized crime. The Triads have always been strong among the Fujianese who also dominate 'Chinatowns' in Burma, Malaysia and the USA.

Almost 200 local border officials, including police, customs and security personnel, were also detained in the wake of Yang's arrest, emphasizing the magnitude of official complicity in the trade in Yunnan. Again, it appears that the central authorities used the PAP to carry out the operation. The deployment of the PAP, which could be described as the strike force of China's powerful internal security apparatus, to deal with the traffickers indicates that local authorities are unable, or even unwilling, to confront the drug problem. While the PAP's tactics may be effective, analysts point out that riding roughshod over local authorities, many of whom belong to Yunnan's numerous ethnic minorities, is liable to cause resentment. Nonetheless, with corruption rampant and organized crime increasingly powerful in the provinces, Beijing may have no choice but to use the centrally controlled force.

The situation on the Burmese side, where government-recognized militia forces are involved in large-scale drug trafficking, was raised by the Chinese when Burma's powerful intelligence chief, Lieutenant General Khin Nyunt, visited China in September 1994. Despite an otherwise close and cordial relationship between the Burmese junta and Beijing, the Chinese were said to be furious with Rangoon's connivance of the trade. Khin

THE DRUG TRADE IN SOUTHEAST ASIA

Nyunt was asked to take firm action against the traffickers.

It remains to be seen if pressure from Beijing will have any impact on Burmese policies towards the gangs in Kokang and elsewhere, but in China the situation is becoming extremely serious and the authorities feel compelled to do something. It is estimated that 80 per cent of the crimes committed in areas of Yunnan bordering Burma were perpetrated by drug addicts. Ruili, a small town border town in Yunnan, also has the highest incidents of AIDS and HIV in China. A centre for the lucrative cross-border trade with Burma, Ruili County has a permanent population of 83 000 and at least 30 000 temporary residents. The combination of a large migrant population, widespread drug abuse and rampant prostitution is believed to be the reason why this relatively small town has got the dubious distinction as the AIDS capital of China.

With the drug explosion in China, organized crime is also back with a vengeance. There is a significant involvement by what is termed 'outside elements' especially in border areas. In Shenzhen in Guangdong province, one of China's four special economic zones, drug trafficking involves the Triads, which are based across the border in Hong Kong. In late 1991, the Shenzhen municipal government issued a special *Circular on Banning Drugs and Suppressing Triad Organizations*.

How to deal with organized crime may be China's dilemma in its war against drugs. The PAP has performed well against certain groups in Yunnan, but Sinologists warn against counting on the force to cure the plague. They point out that Public Security Minister Tao Siju, who is also the PAP's political commissar, made headlines in 1992 when he said some Hong Kong-based Triads are "patriotic" and "good people" who are welcome to do business in China. Tao mentioned especially the Xiang Brothers, Hong Kong-based Triad leaders who are deeply involved in the heroin trade.

Other Markets

After opening the China route, the Burmese traffickers also looked elsewhere for outlets

for their drugs. In late 1991 and early 1992, trucks loaded with raw opium and heroin began heading from the poppy growing areas in the northeast down to the central plains around Mandalay, a town which is quickly emerging as the hub of the drug traffic in northern Burma. Mandalay's many new restaurants, hotels, big shops and luxury cars are ample evidence of this fact. This is where substantial amounts of drug money from Kokang and the Wa Hills now are laundered and invested in real estate and the tourist business.

In early 1992, a string of six new heroin refineries was identified along the Chindwin river, close to the Indian border near: Tamanthi, Homalin, Moreh, Kalemyo, Tiddim and Paletwa on the western edge of Chin and Arakan states. For the first time, refineries were established in traditionally 'white', or insurgent-free, areas close to major Burmese army installations. As a result, drug addiction has become rife in the northeastern Indian states of Nagaland and Manipur. The latter state had 600 addicts in 1988. A couple of years later, there were at least 15 000 and now 30 000-40 000, of whom many are infected with the AIDS virus.

While the drug trade along the Indian border and in Kokang is 'free' with many private traffickers and pedlars, Lin Mingxian

Lin Mingxian (top) and Zhang Zhiming (bottom), two former Red Guards who joined the CPB in 1968, supported the 1989 rebellion against the party leadership. They now lead the National Democratic Alliance Army, estimated to number up to 4000 fighters, in eastern Shan State. The two control several heroin refineries which produce 1500-2000 kg of heroin base each year which is shipped to Laos, Cambodia and Vietnam. Both Lin Mingxian and Zhang Zhiming are reported to enjoy excellent relations with local Chinese police, army and military intelligence officers in southeastern Yunnan. Zhang Zhiming is widely suspected of having been left with the CPB by China's intelligence services when most other Chinese 'volunteers' were recalled in the late 1970s and early 1980s.

THE DRUG TRADE IN SOUTHEAST ASIA



(Sai Lin) and Zhang Zhiming (Kyi Myint), the old Red Guards in the former CPB area near Laos, have established the best organized drug syndicate in northern Burma. The trade in the hills north of Kengtung, where they are ensconced, is strictly controlled by a committee of 13 people, headed by Lin. A major refinery complex has been set up near the border opposite Man Tsang Shan village in China's Sipsongpanna (Xishuangbanna) region. Lin's group collects raw opium from its own area as well as from Luong Nam Tha province in Laos and his refinery is capable of turning out 1000 to 2000 kg of pure heroin a year.

Through Laos, a new route has been opened to Cambodia, where the island of Koh Kong has emerged as a major drug trafficking centre. Lin has a wide network of contacts in Laos, dating back to the late 1970s and 1980s when right-wing Laotian guerrillas and Hmong hill-tribe fighters crossed his area en route to Chinese training camps in Yunnan. The first documented case of Burmese heroin turning up in Laos occurred in August 1991, when Laotian security forces pursuing a group of unidentified rebels who had crossed the border from Burma captured two of them and seized 15 kg of pure heroin. After this abortive attempt to open a route through Laos, Lin and his group are said to have approached corrupt elements within the Laotian military.

In Cambodia, drugs pass through areas dominated by the Khmer Rouge as well as government-controlled areas. The failure of the UN to restore normality in Cambodia through the 1992-93 UN-supervised election, and the chaos that has emerged as a result, is seen as the reason why the country has turned into a haven for the illegal trade in narcotics and arms as well as money laundering.

In an interview with the Hong Kong-based magazine *Asiaweek*, Cambodia's ousted, but well-respected, finance minister, Sam Rainsy, stated: "Land prices [in Cambodia] are very high because of speculators from Thailand, Hong Kong, Singapore, Malaysia and the many Chinese people in the region, who I think are related to the mafia because they want to launder money. They launder money in three ways: property development, banking

THE DRUG TRADE IN SOUTHEAST ASIA

and gold smuggling...the money comes mainly from Hong Kong and Thailand — mostly from drugs and arms trafficking... trafficking in heroin from Laos is increasing. From Thailand and Burma, the drugs go to Laos, and from Laos they go through the whole of Cambodia to Phnom Penh, then to Vietnam and to Sihanoukville...there are 29 banks in a small country like ours. [Some] are laundering money, making deposits and sending funds to another country and saying the money comes from Cambodia."

Intelligence sources emphasize that it is not only Burmese groups that are buying weapons from the Thai-Cambodia border region. Other customers include Sri Lanka's Tamil Tigers, the Naga rebels of northeast India and armed opposition groups in the Philippines. While the border remains an important market place for arms, a new route for weapons from Cambodia was discovered in February 1993 when a ship carrying 20 tons of munitions was detained along the Mekong river while on its way to Vietnam. Only 20 per cent of the weapons were functional. The investigation showed that private arms dealers in Vietnam buy old weapons from Cambodia and repair them before offering them for sale. Khun Sa's MTA is reported to have bought large quantities of old Soviet-made weapons at very low prices, reportedly through middlemen in Singapore. The ship had been hired by a company which is owned by the wife of Uy Sambath, Cambodia's vice-director of customs and a former minister of commerce.

Apart from playing a role in the illegal trade in weapons, Vietnam is also becoming an important transit country for drugs as well as a market for Golden Triangle heroin. The *Bangkok Post* reported in 1993: "One of Vietnam's most pressing social problems is rising availability of illicit drugs and a concerned Hanoi government is spending great effort to combat the problem." The first death sentences of drug traffickers were meted out later that year but the situation today is believed to be worse than ever. The Vietnamese authorities have stated that "international drug traffickers in Bangkok and Hong Kong have chosen Vietnam as a transit point for destinations such as France,

Germany and Eastern Europe". It may be added that narcotics from Burma also transit Laos en route to Danang and other sea ports from where they are smuggled to North America and Australia.

The drug invasion of Taiwan coincides with the surge in heroin production in the Burmese sector of the Golden Triangle since 1989 and the rise to prominence of new drug gangs, which, unlike many of the older groups, have no historical or emotional ties to Taiwan. Sources in the Golden Triangle say the remnants of the KMT as well as Khun Sa's MTA always refrained from selling heroin if the destination was Taiwan. The new dealers, many of whom are former Burmese communists or Yunnan-based syndicates, may have no such qualms; to them, Taiwan is only a lucrative market for their produce.

A recent Taiwanese government-issued brochure states: "Drugs were not a serious problem in the ROC until five years ago. Now drug abuse has reached major proportions.... Recent drug busts have pointed to Thailand and the Chinese mainland as the major sources. ROC police estimate that 3000 kg of heroin...finds its way across the mainland into Taiwan each year, but only one-tenth of this amount is seized by the police." Another government publication states that the amount of heroin seized in Taiwan did not exceed 10 kg annually prior to 1990. In that year, the amount jumped to 22 kg and increased to 76 kg in 1991 and 320 kg in 1992. During the first six months of 1993, a record 791 kg were seized. The number of addicts is in the tens of thousands and is increasing steadily.

Burma's own drug crisis is also severe and linked to the outbreak of a serious AIDS crisis. Heroin is readily available at low prices all over the country and poor health facilities have resulted in wide-spread HIV infection. Burma's health minister, Vice-Admiral Than Nyunt, stated in June 1994 that his country had 261 full-blown AIDS cases and 200 000 people carrying the HIV virus. A recent report from the UN International Drug Control Programme, however, paints a much more desperate picture of the AIDS epidemic in Burma. The report says that 74.3 per cent of all tested drug users, nine per cent of the

THE DRUG TRADE IN SOUTHEAST ASIA

prostitutes, 0.5 per cent of blood donors and 1.4 per cent of pregnant women in Burma were HIV positive.

Although alarmingly high, most of these tests were carried out in towns and cities where the situation is not as grave as in rural areas of the less developed north. The most shocking statistics come from the jade mining centre of Hpakan, in northern Kachin State, where 72 per cent of tested drug addicts had never heard of AIDS and 91 per cent were HIV positive. Most of them were sexually active young males, but only 20 per cent of them had heard of condoms. In the northeastern Shan State town of Lashio, often described as 'the drug capital of northern Burma', 40 per cent of drug users carry the HIV virus. Even some towns in central Burma have been hard-hit. In Mandalay, the rate of infection among drug addicts rose from 58 per cent in 1992 to 84 per cent in 1993.

Burma's first case of HIV infection was

reported in Rangoon in 1988. Since then, the Burmese AIDS epidemic has spread at a phenomenal rate. Unlike Thailand, which has an AIDS crisis but also functioning health services, Burma presents an almost African situation. Although Burmese doctors and nurses are well-qualified even by international standards, the country as a whole suffers from poor sanitary conditions, outdated hospital equipment and an underdeveloped health infrastructure, especially in the more vulnerable rural areas.

The New Dealers

In December 1993, the Burmese armed forces mounted an offensive against Golden Triangle warlord Khun Sa and his army which is still continuing. Thousands of government forces have since blockaded the ferry crossings on the Salween river and put an economic stranglehold on his headquarters at



Opium market in northeast Burma. The ready availability of cheap heroin is linked to a severe AIDS crisis. (Photograph: Hseng Nong Lintner)

THE DRUG TRADE IN SOUTHEAST ASIA



Khun Sa's 16 000-18 000-strong Mong Tai Army is the most powerful armed rebel force in Burma. Since December 1993, government forces have been attacking his stronghold in Shan State. (Photograph: Bertil Lintner)

Homöng across the border from Mae Hong Son in northwestern Thailand.

Critics, however, say that Khun Sa's role in the drug trade has diminished considerably over the past few years as he has lost much of the trade to the new dealers along the Yunnan frontier in northeastern Burma. The legal status of these new groups has also made it possible for them to engage in a broad range of activities, ranging from the export of timber and gems to China to a new trade that is becoming almost as lucrative as the drug business — the trafficking in illegal immigrants from China to the West.

Every year, tens of thousands of Chinese, almost exclusively from Fujian province, travel

illegally to the USA. So-called 'snakeheads', merchants of migration, charge about Rmb 220 000 (US\$26 000) for such passages overseas, which include transit through Burma, a stay in Thailand while false papers are being arranged and the onward journey to the USA or elsewhere. Previously, most of them left in old unseaworthy ships, but following attention by both the police and the media in the USA, routes and means of transportation have changed. Now, most migrants, after coming from Yunnan via Burma, leave Thailand by air using mostly cheap East European airlines. In Europe, they are commonly broken up into smaller groups and smuggled into Puerto Rico or the US

THE DRUG TRADE IN SOUTHEAST ASIA

Virgin Islands, from where they can board domestic flights to the US mainland. It is widely suspected that given the large amounts of money the migrants have to pay, at least some of them, once they have reached the USA, become slaves of the drug syndicates which have helped them along the way.

While Chinese syndicates monopolize the trade in illegal immigrants, and continue to control a large portion of the drug trade, the vast amounts of money involved in narcotics have attracted other syndicates which want to cash in on the boom in the Golden Triangle. The role of the Japanese *yakuza* is still a matter of conjecture. No firm links to the Golden Triangle heroin trade have been detected, but officials from the US Drug Enforcement Agency (DEA) say that they are convinced these gangs are also trading in Southeast Asian heroin, most probably to Hawaii and California where Japanese organized crime is strong.

Another interesting Asian player is North Korea although its involvement in the drug trade has so far been recorded only outside Southeast Asia. Local officials in China's Yanbian Autonomous Region claim that North Korea is using northern China as a trans-shipment point for heroin bound for Japan and the USA. In early 1994, an ethnic Korean from China was arrested as he attempted to smuggle through China 300 kg of heroin from North Korea. Chinese border officials reportedly are very concerned about this cross-border trade but feel powerless to stem it as most of it occurs across the Yalu and Tumen rivers at night. The origin of the drugs that are being smuggled in this way is unknown, but the raw opium from which the heroin was made is most probably from Southeast Asia.

Drugs of Southeast Asian origin smuggled from North Korea have also been found in Russia. On 9 June 1994, the Russian authorities across the border from North Korea arrested two North Korean citizens carrying 8 kg of heroin. A Moscow newspaper, *Segodnya*, reported on 16 June 1994: "To smuggle such a large amount of narcotics from North Korea without the deliberate connivance of the authorities

appears most improbable. The value of the heroin seized from the North Korean citizens is US\$1 million at the going rate on the world drugs market, which is all the more impressive against the backdrop of the economic plight of Kim Il-song's regime."

The two North Koreans were later identified as Kim In-Chol and Choe Chong-Su; both are alleged to be North Korean intelligence officers based in Vladivostok. On 3 January 1995, two North Koreans, one of them in possession of a Democratic People's Republic of Korea diplomatic passport, were reportedly arrested in Shanghai attempting to sell 6 kg of opium. A Macau-based North Korean company that operates as a liaison officer for the Korean People's Army has been implicated in the case.

Any evidence of official North Korean involvement in the Southeast Asian drug trade remains circumstantial although suspicions are strong. With the economic situation in North Korea deteriorating, Pyongyang's dependence on illicit sources of foreign exchange, such as gun running and most probably also drug trafficking, is likely to increase.

Nigerian gangs have also risen to prominence over the past few years. Hundreds of Nigerian couriers are in jail throughout Asia. One intelligence official called them "the ant army". Unlike the Chinese, who smuggle vast quantities in containers under strict secrecy, the Nigerians hire armies of couriers who each carry only small amounts. Dealers can afford to lose a few hundred such couriers. Most heroin carried by the Nigerians is believed to reach its intended destinations, which often are the slums of the inner cities in the USA where the population is predominantly black and a Nigerian courier would arouse no suspicion. Nigerian couriers also carry heroin from Bangkok to Western Europe, often flying with cheap East European airlines to Prague and Athens, where checks are believed to be fairly cursory.

Twelve Nigerian crime families are believed to be behind this traffic, which includes networks of couriers recruited from most West African countries. Nigeria, with a population of 120 million, has Africa's largest

pool of unemployed youths from which drug couriers can easily be recruited. Brigadier General Musa Bamaiyi, the chairman of the National Drug Law Enforcement Agency, stated in August 1994 that Nigeria was no longer just a transit country but was rapidly turning into a drug using nation as well. Hardly surprising, given the vast amounts of narcotics in transit through Lagos.

The newest addition to the plethora of organized crime gangs which are involved in Southeast Asia's booming drug traffic is the Russian mafia. Although less organized than their Asian and African counterparts, Russia's new crime syndicates constitute a serious threat to post-Soviet democracy while their involvement in the drug business affects the rest of the world.

Western sources estimate that between 3000 and 4000 loosely organized gangs operate in Russia with a total membership of approximately 100 000 people. Criminal pursuits have transformed the economy of Central Asia, which is fast becoming another hub of the world narcotics trade. The involvement of the Russian mafia in the marketing of stolen ex-Soviet Army weapons, which later turn up in the ethnic conflicts on Russia's southern borders such as the war in Tajikistan, is well documented. Now Russian gangs have also made their entry into the Southeast Asian drug market.

Five years ago, no more than 500 Soviet citizens visited Thailand; the figure now is more than 30 000 annually. Most of them come to Bangkok to buy textiles which are later sold for a profit in Russia but many are suspected of being involved in more unsavoury activities. The most obvious Russians in Bangkok, and increasingly also in other East Asian capitals, are young prostitutes. Thai police sources estimate that there are between 3000 and 5000 Russian prostitutes in Bangkok, operating mostly through escort agencies and private clubs which, in turn, are run by shady business interests linked to organized crime.

The first seizure of Southeast Asian narcotics in Russia occurred in November 1992 and involved a Russian prostitute who had been working in the Far East. In early 1993, the first Russians selling drugs from the

Golden Triangle were arrested in New York. It is now widely believed in intelligence circles in Southeast Asia that the Russians are becoming the region's cheapest and most willing couriers, working for Russian syndicates or even Asian gangs, for instance the Japanese *yakuza* which has links with Vladivostok and Russia's Far East.

Major Sergei Avdienko, Russian liaison officer at the Interpol European Secretariat, said in a speech in late 1993: "[F]rom Siberia in the north to the Afghanistan frontier in the south, from the Far East of Russia to what was East Germany in the west, people have one thing in common — they all speak or understand Russian and this facilitates co-operation between criminals."

Exactly how all these different groups, Asian, African and Russian, relate to each other is impossible to say, but the absence of any intra-gang warfare suggests that the different groups co-exist and perhaps cater to different markets. The existence of such a symbiotic relationship was indicated by then Central Intelligence Agency director, James Woolsey, who told the US Congress in April 1994 that "organized criminals from Russia, China and Africa are forging ties with old European and Latin American crime groups to threaten national economies and world security ... violent drug traffickers and other criminal groups are spreading and co-ordinating activities throughout the world". Whatever the relations between the various syndicates, the source of most of the world's heroin, more than 180 tons annually, remains the Golden Triangle in northern Burma. It is there that the problem has to be tackled.

Is There Any Solution to the Problem?

A state of anarchy, unprecedented even in the turbulent history of the Golden Triangle, has emerged in Burma's northeastern Shan State and its affects can be felt all over the world. The explosion of the drug trade in the Golden Triangle is not the outcome of any evil conspiracy by tribal warlords and "hostile opium growers", to quote former DEA chief John Lawn. Rather, it is the inevitable

consequence of the decades-long Burmese tragedy: the inability of successive governments in Rangoon to come to terms with the country's ethnic and political strife and to permit an open, pluralistic society.

The complex nexus between the drug problem, military rule and Burma's civil war has hardly been debated when international narcotics agencies have discussed the drug problem in the Golden Triangle. The emphasis has been on showcase 'crop substitution programmes' (UN agencies) or support for the military government's supposed 'campaign against drugs' (the DEA). The government itself has confined its activities to staging well-orchestrated drug burning shows for the benefit of invited foreign guests. Its actions have no impact whatsoever on the overall drug production in the Golden Triangle.

Pheung Kya-shin, the then Kokang overlord, pledged in a speech in January 1991 in Mōng Ko before assembled UN officials, DEA operatives and a few invited foreign journalists to stop heroin production in the area "within one year" and all poppy cultivation within "six years". Four years later, heroin production has increased and the cultivation of poppies shows no signs of diminishing.

Two US researchers, Alfred McCoy and Alan Block, have pointed out that the failure of Western drug policy is due mainly to the fundamentally wrong approach of "treating global narcotics trafficking as if it were a localized vice such as pornography or prostitution". Consequently, millions of dollars have been wasted on largely meaningless projects, while opium production is increasing steadily each year and almost no attempts have been made to address the underlying historical, social and economic factors behind the drug explosion in areas such as the Golden Triangle.

For many years, Western narcotics policy was crippled by security concerns. Alliances of convenience between various intelligence agencies and forces such as the remnants of the KMT in the Golden Triangle and corrupt elements within Southeast Asian governments and military organizations became important in the 1950s when the Cold War was at its peak and the end seemed

to justify the means. The demise of the Cold War is changing that belief, at least in some countries. The recent exposures of high-level complicity in Thailand is one example. With drug barons taking the place of communists in the US lexicon of foreign evils and threats, even the USA's old friends and allies such as Thailand can no longer take advantage of their erstwhile position as 'frontline states' in the defence against communism to avoid being implicated in drug trafficking.

It was taboo in the past for US officials to mention Thai official complicity in the drug trade. Nobody wanted to disrupt relations with Thailand or to do anything that could be construed as undermining the political stability there. This has changed now and analysts emphasize that a number of other issues which lately have caused friction between Bangkok and Washington should be seen in the same light. Such disagreements include the official, angry Thai response to recent accusations by former US Ambassador Morton Abramowitz that Thailand is still supporting the Khmer Rouge, US criticism of Thai labour laws and child labour, and the ongoing dispute between the two countries over copyright and intellectual property rights. This new attitude was reflected in a report by Sherman Funk, the US State Department's inspector-general, who even went as far as criticizing the US Embassy in Bangkok: "[Its] reporting on the narcotics situation in Thailand did not accurately reflect more candid reporting by other US officials ... Thailand's excellent infrastructure provides convenient routes for Golden Triangle drugs en route via sea and air transit terminals to the US and other international markets ... On previous occasions US dignitaries have been advised to praise Thai efforts to control narcotics. What has been lacking is a candid approach, seeking Thai co-operation with a meaningful interdiction programme that would disrupt drug-trafficking through Thailand."

Such an approach is possible in Thailand, which is an open society. The exposures of politicians involved in drug trafficking received wide coverage in the local Thai media. Thais have criticized the US government for being

THE DRUG TRADE IN SOUTHEAST ASIA

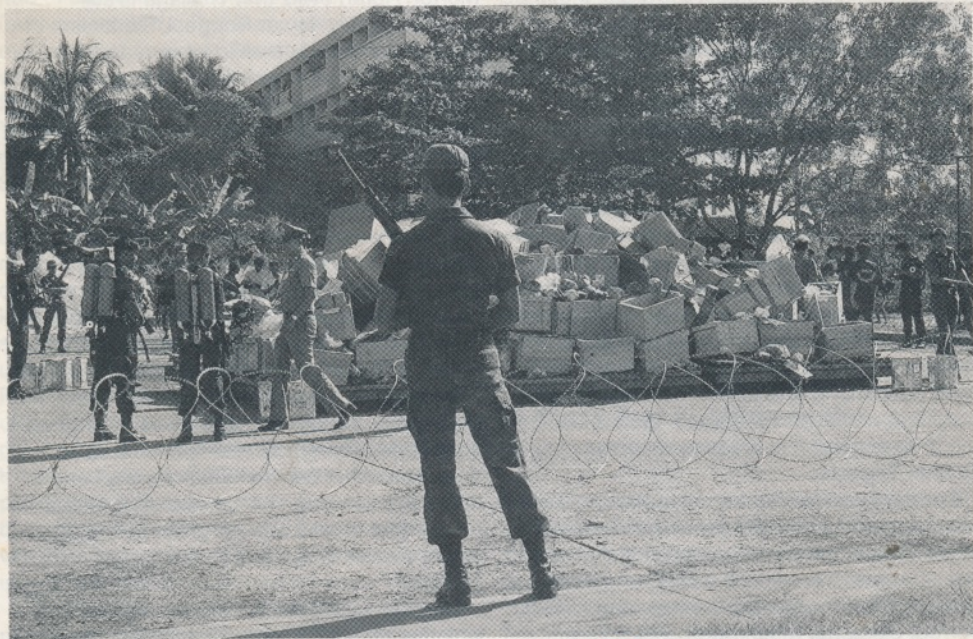
clumsy and undiplomatic in its approach, which may be valid criticism, but a new, more frank approach can now be found on both sides.

Burma and China, on the other hand, remain closed societies where transparency, freedom of expression and meaningful debate are non-existent. China's policy of executing ordinary couriers has come under fire; many Western drug-enforcement officials say this practice only wipes out potential prosecution witnesses. Most of these young, unemployed couriers would more probably be willing to cooperate if they were offered reduced sentences. A more sinister explanation is that executing couriers is a cruel means of covering up high-level involvement in the drug trade.

At the same time, China has to strike a delicate balance between badly needed openness and equally important political stability so as to avoid the chaos that has followed in the various former Soviet republics after the demise of the USSR. The

Cambodian tragedy, where there is openness but no stability, also emphasizes this point. So the problem not only continues but is also becoming worse.

The situation in Burma, with its many armed factions, is somewhat more complex. However, with the demise of the Cold War, it should not be too difficult to undertake a thorough, objective study of the Burmese civil war, free from narrow security concerns, and with the aim of finding a lasting solution to the problem. The shaky business deals which the present military government has reached with some rebel groups hardly serve as models for such a solution. These agreements have not addressed the underlying issues which caused the minorities to take up arms in the first place. No anti-drug policy in Burma has any chance of success unless it is linked to a real political solution to the country's ethnic conflict and a meaningful process towards political pluralism in Rangoon. The alternative is continuing strife which will keep the heroin flowing.



Thai security forces preparing to burn seized drugs in Bangkok. Since the end of the Cold War, the US government has put more pressure on its former anti-communist ally to combat the drug trade. (Photograph: Bertil Lintner)