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DEPARTMENT OF STATE

EXCISE

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NO:

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TO : Department of State

INFO: CINCPACREPPHIL
13TH AF CLARK
405TH CSG

FROM : Amembassy MANILA

DATE: February 6, 1973

SUBJECT: Updating of Narcotics Control Action Program

REF : (A) STATE 230879 S/NM
(B) STATE 013348 Red

Following is Narcotics Control Action Program for the Philippines updated in accordance with referenced telegrams. Annex A will follow shortly by telegram.

(A) DESCRIPTION OF DRUG SITUATION IN PHILIPPINES.

At the present stage of development of its narcotics problem, the Philippines can best be characterized as a concerned "victim" nation. While limited narcotics production activity has occurred here and there has been some involvement in international narcotics trafficking by Philippine citizens, they have been of minor importance when compared to the growing drug problem within the Filipino community itself. In appreciating the dangers of drug abuse to its own citizenry, the Philippines shares a mutual interest with the United States in fighting all aspects of the narcotics problem, and a favorable climate exists here for the success of USG international narcotics policies as they pertain to the Philippines.

(1) PRODUCTION. Marijuana is cultivated throughout the Philippines but only for domestic consumption. The Embassy has no evidence that the opium poppy is cultivated in the Philippines, although there are mountainous areas of the country which provide conditions similar to those of poppy-producing areas in other countries in terms of climate and extreme isolation.

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Intelligence developed during the course of 1972 established that at least one number 4 heroin laboratory was located in the greater Manila area. Operated by an overseas Chinese syndicate, it was seized shortly after the declaration of martial law in late September, and 47 pounds of heroin were confiscated. This laboratory had been operating for over six years and produced from 100 to 200 pounds of heroin annually, an amount sufficient to supply the needs of the estimated number of heroin addicts in the country. At least some of the laboratory's production was smuggled into the US.

Unverified reports indicate that two additional heroin laboratories may exist in the Philippines, but details concerning their location, ownership and production are not available.

However, if any laboratories do still exist in the Philippines, it is likely that they consist only of small scale, erratic operations and are not comparable to laboratories in Burma, Thailand and Hong Kong, where opium and morphine base are readily and cheaply available. It is more logical for local dealers to import the finished product for resale locally, than to run the risks of smuggling the base material into the country and converting it to heroin here.

Nevertheless, for several reasons the possibility that the Philippines could at some point develop into a significant heroin production and trafficking center affecting the United States should not be completely ruled out. An extended coastline and the country's seven thousand islands as well as the relatively ineffective anti-smuggling operations of the government make smuggling a comparatively simple and lucrative task. Corruption in government and the associations which many Filipinos have with the United States, as exemplified in the high volume of trade with and travel to the United States, are additional factors tending to increase the attractiveness of this country to international narcotics syndicates as a center of operations.

Weighed against such potentially attractive features, however, are several factors which lead the Mission to conclude that

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there is little likelihood that the present negligible or non-existent state of heroin production in this country will change. As previously noted, the present economics of heroin trafficking in Southeast Asia favor the traditional centers of production, rather than the Philippines. The development during 1972 of a harsh attitude on the part of the GOP toward narcotics trafficking is a further intimidating factor. Since martial law the efficiency of the government bureaucracy has improved, corruption in the government seems to have been reduced, smuggling is more risky and the ease of travel abroad by Filipinos has been greatly hampered by a ban on non-essential travel. Apart from its own interest, the GOP would not wish to allow narcotics to become a major problem in its relations with the US. (S)(u)

Thus, it appears that pressures against the traditional centers of illegal heroin manufacture would have to be very strongly applied before the potential of the Philippines in this respect, vis-a-vis other alternative countries, would be developed. For the immediate future, it seems that the narcotics situation in this country will remain an internal problem for both the Philippine and American Governments.

(2) DEMAND AND SUPPLY. Official GOP estimates of drug abuse in the Philippines have remained unchanged during the past year. These figures--200,000 abusers of all types of narcotics and dangerous drugs, of which 7,000 to 10,000 are heroin addicts--must be accepted as an approximation, considering the poor statistical and reporting bases available to Philippine Government agencies.

The majority of drug abusers in the Philippines consists of high school and college students, from all economic classes, and unemployed youths. The traditional image of the drug abuser in this country as an overseas Chinese addicted to smoking opium, if it were ever accurate, has been replaced in recent years by a rapid growth in drug abuse among the country's youth. Marijuana is the most widely abused drug. Barbiturates and amphetamines, particularly Mandrax (an Italian-made sleeping pill), are second. Heroin abuse, while in third place, has expanded steadily in the past year.

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The supply of narcotics and dangerous drugs for local addicts is provided principally from external sources, with the exception of marijuana and possibly a small amount of locally manufactured heroin. Major smuggling routes for heroin coming into the country are believed to be from Bangkok and Hong Kong into the Manila area by aircraft and ship. While it is logical that narcotics might also be entering through the Sulu Archipelago, a traditional smuggling route adjacent to East Malaysia, there has not yet been any evidence to support this suspicion. Cocaine and hashish are available but difficult to obtain, and are presumably smuggled into the country.

Filipinos are engaged to a limited extent in heroin trafficking from points outside the Philippines, principally Hong Kong, to the United States, either on their own behalf or as couriers

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for Filipino and Hong Kong operators. During 1972 a Philippine diplomat assigned to Vientiane received a stiff prison sentence for smuggling heroin to New York, and several Filipinos were jailed in Taiwan for heroin smuggling. These and other arrests have immobilized more than 50 per cent of the Filipinos (9 of 17) who have been identified as engaged in transporting heroin to the United States.

While there is no indication that the Philippines is now or is about to become a significant base for international narcotics trafficking on a par with Hong Kong or Thailand, the potential of the Philippines in this respect cannot be ignored. The Embassy has received fragmentary reports of direct heroin trafficking between the Philippines and the US. The present restrictions on international travel by Filipinos and resident aliens make it more difficult for Philippines-based couriers to smuggle drugs into the United States. However, there are still sufficient numbers of immigrants and business travelers who could serve as couriers. There is also a large pool of potential couriers among the many merchant seamen and airline personnel who regularly transit the Philippines enroute to the US. []

(3) PHILIPPINE GOVERNMENT ATTITUDE.

1972 was a consequential year for the development by the GOP of a serious attitude toward its narcotics problem. The most important development was the signing into law by President Marcos of the Dangerous Drugs Act of 1972 in March and the subsequent amendment of the Act by Presidential Decree in November. A growing awareness in private and government circles of the increased seriousness of drug addiction among Filipino youth provided the major impetus to the rapid passage of the new legislation and considerable increases in government programs devoted to combatting narcotics. The new legislation, which can be generally described as emphasizing harsh punishment for those who profit from the illegal narcotics trade and stressing rehabilitation for the victims of drug abuse, provides the Philippines with modern legislation and an organizational and legal basis with which to attack its drug abuse

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problem. In late 1972 the Dangerous Drugs Board came into existence and has the authority, if not yet the funding, to implement an effective drug abuse campaign in this country.

The capabilities of GOP law enforcement agencies to control the production, trafficking and use of dangerous drugs and narcotics improved considerably in 1972, but still remains quite limited. Substantially more personnel from various law enforcement agencies have been assigned full-time to narcotics work, have been trained, and are beginning to receive material help under the US narcotics assistance program. In spite of the handicaps, the number of arrests and successful prosecutions of drug offenders has increased markedly in the past two years and, in particular, since the passage of the Dangerous Drugs Act of 1972.

Following the declaration of martial law in late September, the GOP adopted an aggressive enforcement posture toward eliminating the production, distribution and international trafficking of narcotics and dangerous drugs. This was highlighted by the seizure of the heroin laboratory in Manila in September and the execution of its owner in January 1973. Widespread roundups of suspected drug abusers took place, and numerous harsh sentences were meted out to drug pushers and other illegal traffickers. However, this intensified enforcement effort has waned somewhat in the past two months, and a number of persons known to be involved in narcotics trafficking have been released for no apparent reason.

(B) SEIZURE STATISTICS.

	<u>1971</u>	<u>1972</u>
Opium	13.0 kg	5.6 kg
Morphine	1.7 kg	9.4 kg
Heroin	3.4 kg	22.0 kg

(NOTE: These figures should be regarded only as approximations of actual seizures, since the reward system leads to inflated figures.)

(C) STATEMENT OF US GOALS (unchanged).

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(1) Eliminate the flow of narcotics and dangerous drugs to American military and civilian personnel and their dependents in the Philippines.

(2) End any narcotics traffic to the United States involving Filipino nationals and citizens of other countries residing in the Philippines.

(3) Improvement by the Government of the Philippines of its law enforcement, educational and rehabilitation programs related to dangerous drugs and narcotics.

(4) Increase GOP involvement in regional and international efforts affecting the drug problem.

(5) Prevent the development of opium poppy and/or heroin production in the Philippines.

(D) PROJECTS UNDERTAKEN DURING 1972 TO ACHIEVE GOALS.

(I) Unilateral GOP actions.

a. Passage of Dangerous Drugs Act of 1972, subsequently strengthened by Presidential decree. Establishment of Dangerous Drug Board provided for by this Act.

b. Arrest and prosecution under new legislation of considerable number of drug pushers, maintainers of dope dens and other violators of narcotics laws. Most noteworthy case was the execution in January 1973 of heroin manufacturer Lim Seng.

c. Considerable expansion of number of personnel assigned to narcotics enforcement activities in number of major municipal police departments, including Manila and suburban areas.

d. Establishment of Philippine Constabulary Anti-Narcotics Unit which has played leading role in combatting drug abuse.

e. Continuing public emphasis by GOP on its national policy to combat drug abuse. Most recent example is January 7 statement by President Marcos that he has ordered military and police forces "to wage a saturation drive against manufacturers,

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procurers and pushers of illegal drugs, as well as drug addicts, until the traffic and consumption of dangerous drugs is eliminated or at least reduced to insignificance." The President also stated that the GOP will sentence to death any convicted manufacturer of illegal drugs and promised that the Government will provide all required funds and services to assure adequate care for the victims of drug abuse.

(II) Bilateral US-Philippine Actions.

a. Closer working relations have been developed between US agencies interested in narcotics enforcement and GOP authorities, both in Manila and at the local level in Angeles and Olongapo Cities.

b. [

c. USAID provided nine weeks of narcotics training in Washington for six GOP officials who assisted in the development and presentation of a GOP narcotics training program. A series of four-week training programs for 235 narcotics enforcement personnel commenced in January 1973 with the assistance of USAID, BNDD and US Navy and Air Force officers.

d. A narcotics project agreement and sub-project agreements were signed with the National Economic Council on behalf of the Dangerous Drugs Board, the Police Commission and the National Bureau of Investigation to implement those aspects of the USAID narcotics assistance program approved by Washington.

e. BNDD trained 60 Philippine police officials in June 1972.

f. The GOP agreed with US positions taken on narcotics questions at international meetings in Geneva and New Delhi.

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g. USAID and other USG agencies cooperated with the Narcotics Foundation of the Philippines and other groups in local communities in their narcotics educational and rehabilitation programs.

(III and IV) Regional and Multilateral Efforts.

a. The GOP sponsored a meeting in October of ASEAN nations to discuss most aspects of their drug abuse problems. The prospects of improved cooperation were heightened by a proposal to establish an ASEAN center for Narcotic Drugs Control.

b. The GOP cooperated with continuing Australian efforts to improve regional cooperation on narcotics matters.

c. The GOP has cooperated, as appropriate and given its limited means, in international programs concerning drug abuse.

(V) US Unilateral Measures.

a. ☐

As a result, a more accurate picture of the narcotics situation in the Philippines is now available.

b. During 1972 USAID gained its first full-time narcotics officer, a Bureau of Customs officer working entirely on narcotics trafficking arrived, the BNDD Region 20 office moved from Tokyo to Manila, ☐

☐ In early 1973 an FSO-3 was assigned to the BNDD regional office.

c. The Deputy Chief of Mission was designated the Narcotics Control Officer for this Mission.

d. Both the Navy and Air Force strengthened their drug abuse programs at Subic and Clark.

e. BNDD hosted a three-day conference for its personnel from Regions 16 and 20. ☐

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f. A standard drug abuse policy for US Mission employees and their dependents was put into effect.

E. POST'S EVALUATION OF PROGRAM TO DATE.

The past year has been a period of development for the Narcotics Control Action Program in the Philippines. During the year we saw the approval of the Mission's initial program submission by the CCINC, the arrival of additional BNDD, AID, State and Customs personnel assigned full-time to narcotics work, the beginning of a program to assist the GOP through commodities and training in developing its narcotics enforcement abilities.

We have already begun to see the results of these increased efforts in the projects listed in Section D. The next year should be a period in which we can solidify the progress that has been made to date and achieve even more concrete results than have been accomplished so far. By the end of the next year we will have made a considerable contribution to the development of police narcotics units in most major cities throughout the Philippines, and these units should become increasingly effective in combatting domestic drug abuse.

We feel strongly that increased efforts must be made to attack narcotics trafficking in communities adjacent to Clark and Subic. In the aftermath of hostilities in Indochina, reductions in the numbers and increases in the stability of our military communities in the Philippines may help to reduce the size of the narcotics problem among our military forces. Greater diplomatic and local efforts should be made in the course of 1973 to dry up the supplies of narcotics and dangerous drugs to American servicemen through communities adjacent to our bases.

As of late 1972, drug abuse among American Mission dependents attending the International School appears to have decreased.

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This Mission continues to feel that the USG should provide some degree of assistance to the GOP for the development of narcotics educational prevention and rehabilitation programs. Programs in these areas can have important side effects in the longer term for our principal objectives of improving GOP law enforcement and intelligence capabilities. They also are key priorities of GOP policy, and GOP narcotics officials have on several occasions expressed interest in receiving USAID assistance for programs of this nature.

In overall terms the commitment of the GOP to combat its internal narcotics problem and to cooperate with USG narcotics control programs has been good. The passage of new narcotics legislation, establishment of a Dangerous Drugs Board and the moves against narcotics traffickers in recent months all stand out as major self-help measures which the GOP has undertaken during the past year. There are many areas, of course, where further improvement will have to be made if the GOP hopes to be able to solve its own narcotics problems. But the initial steps have been made, and we are optimistic that continued progress will take place during 1973. Cooperation with USG civilian and military agencies has generally been very good, although continuing problems exist in getting local authorities in communities adjacent to our bases to move forcefully against local traffickers.

F. COUNTRY TEAM RECOMMENDATIONS FOR FUTURE ACTIONS.

(1) Mission recommends strongly that present USAID narcotics assistance program to GOP enforcement agencies be continued. TOAID A-460 dated December 14, 1972, which reduced the commodity package for FY 1973 from \$424,000 for narcotics enforcement to \$269,000, detailed Public Safety narcotic funding. Present and proposed projects under this program are detailed in Annex A.

(2) Mission also believes that some assistance to GOP should be provided for educational and rehabilitation programs. Specific proposals in these areas are also explained in Annex A, and complete details are available in "Assessment: Drug Abuse Education/Rehabilitation for Republic of the Philippines" dated November 1972, prepared by Earl Goodwin OPS/AID Washington.

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(3) Mission remains interested in developing narcotics assistance program for Philippine Constabulary (PC) Anti-Narcotics Unit (CANU). This agency has had and will continue to exercise a principal role in GOP narcotics enforcement efforts. As a para-military branch of the Armed Forces of the Philippines, the PC does not receive equipment from USAID; JUSMAG has traditionally provided military assistance to the PC and recently sent one PC narcotics officer to the US for training. If the USG narcotics assistance program is to have maximum effect here, it should be channeled to all GOP agencies involved in narcotics enforcement. At the present time, we are providing material assistance only to civilian agencies. A preliminary proposal for a material and training assistance program to CANU is contained in Annex A, which follows shortly by telegram.

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