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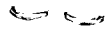
# Prospects for Reducing Heroin Supplies to the United States

National Intelligence Estimate  
Volume I—The Estimates

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NIE 8-2-83  
27 September 1983

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**NIE 8-2-83**

**PROSPECTS FOR REDUCING  
HEROIN SUPPLIES TO THE  
UNITED STATES**

**VOLUME I—THE ESTIMATE**

Information available as of 15 September 1983 was  
used in the preparation of this Estimate.

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**THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.**

**THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.**

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and the Treasury.

*Also Participating:*

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Director of Intelligence, Headquarters, Marine Corps

Intelligence units in the Drug Enforcement Administration, Department of Justice, and in the United States Customs Service, Department of the Treasury, also participated in the preparation of this Estimate.

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## SCOPE NOTE

Heroin consumption may be on the rise again in the United States after it leveled off at about 4 tons a year in 1980 and 1981, with around 500,000 addicts. In other parts of the world, consumption and addiction have been steadily increasing. It is estimated, for example, that in 1982 there were some 250,000 heroin addicts in Western Europe, 50,000 in Pakistan, and 25,000 in Australia, all up considerably in the last few years. As their addict population rises, these and other countries are wrestling with the question of how to combat the heroin problem in both its foreign policy and domestic dimensions.

Since the problem came earlier to our country, US administrations for over a decade have been attempting to pursue an explicit foreign policy to cut heroin flows into the United States. In the main, that policy has focused on reducing supplies of heroin as close to the growing source as possible, primarily through programs to eradicate opium poppies (the raw material from which heroin is made) but also including interdiction of supplies and arrests of traffickers. The purpose of this two-volume study is to examine what overall impact the US supply reduction program has had on heroin usage in the United States, what the prospects are for reducing supplies to the United States in the next few years, and what the implications are of pursuing current US supply reduction policies. Volume I provides a general overview of the problems, prospects, and implications of the US program to reduce heroin supplies. Volume II contains supporting material in the form of case studies of past instances of heroin supply reductions from Turkey, Mexico, and Southeast Asia.

This study does not treat the demand side of the heroin use equation, an aspect of any overall strategy to reduce heroin consumption that is at least as important as cutting supplies. It also does not delve into the financial aspects of heroin trafficking, a complex subject which will be dealt with in future studies of narcotics-generated financial flows. In addition, the study focuses exclusively on heroin, and its conclusions do not necessarily apply to the prospects for reducing supplies of other drugs, such as marijuana and cocaine.

The statistics used in this paper, as with virtually all numbers in the drug area, must of necessity be read as midpoints on estimated ranges, not as hard figures. Nonetheless, we believe they are accurate enough to show direction of change and magnitude, and to support the conclusions of the study.

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## KEY JUDGMENTS

*In the next few years, the United States will be hard pressed to contain the amount of heroin entering this country from Southwest Asia, Southeast Asia, and Mexico, let alone to reduce it significantly through supply reduction programs. Nonetheless, supply reduction programs probably do help prevent sudden, massive increases in the quantity of heroin imported into the United States.*

There are three reasons for continuing to pursue foreign supply disruption programs. First, there is no way of calculating whether and how much additional heroin might flow to the United States if these programs ceased. No one can predict precisely where the upward limit on heroin consumption might be. Consequently, at least some risk exists that heroin use in the United States would rise significantly in intensity and possibly in magnitude if the retail price dropped sharply because our market was flooded by supplies of this opiate.

Second, they are important symbols. US leadership in pushing bilateral and international supply reduction programs provides an important indicator of the depth of US concern about the societal harm caused by the drug. Particularly as heroin abuse increases as a social problem in Western Europe and other countries (such as Pakistan) with which the United States has close ties, these governments will probably look to the United States for closer cooperation on narcotics suppression matters. Not maintaining US initiatives for joint and international programs in these circumstances would probably raise serious questions concerning US sincerity about combating heroin abuse.

Third, with the rising concern among West European governments over increasing heroin abuse, the conditions are improving for even closer joint intelligence and law enforcement action against the same trafficking networks that often supply both Europe and the United States. The West Europeans have also become more willing to encourage crop suppression efforts in source countries, adding to already growing international diplomatic pressures on the governments of those countries and possibly to the resources available for crop eradication, substitution, and interdiction programs. While there is little chance that these efforts will significantly reduce heroin availability in the United States over the next few years, they provide some hope that the participants in the poppyfield-to-street-market heroin chain can be kept under enough pressure to limit growth in future supplies.

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Temporary reductions of heroin in some regions in the United States were achieved in the 1970s through cooperative actions with the governments of Turkey and Mexico. The conditions which permitted those limited successes, however, largely do not exist in current source countries. In particular, governments in two of the three areas which now produce heroin for the US market have neither the political control over the producing regions in their countries nor the economic resources to mount the kind of crop bans begun by Turkey in 1971 or the eradication programs started by Mexico in 1976, both with US help.

In *Southwest Asia*—source of about half of the opium for the 4 metric tons or so of heroin consumed in the United States in 1981—the Soviet-backed Karmal regime in Afghanistan is devoting little attention to the narcotics problem. Moreover, these crops are grown primarily in insurgent-dominated regions where neither the Soviets nor the Afghan Government are likely to extend their control in the future. The Pakistani Government has shown new interest in narcotic suppression programs in the last year, but its efforts are likely to have only minimal impact on the amount of heroin exported from Pakistan. The main producing areas of Pakistan are mostly in the North-West Frontier Province (NWFP), which is only partly under Provincial or Federal government control. In any case, the federal government is unlikely to mount the sweeping antinarcotics drive that would be necessary to cut heroin production in the NWFP, because the probable violence accompanying such actions could aggravate the area's weak economy, destabilize the Afghan refugee situation, and provoke hostilities from the militant Pushtun tribes resident there.

The prospects for successful government narcotics countermeasures are equally poor in the "*Golden Triangle*" of *Southeast Asia*, which has recently supplied 10 to 15 percent of US heroin imports. Over 80 percent of the opium harvested in 1982 in the Golden Triangle was produced in Burma. The primary problem in Burma is that the main producing areas in the country are to varying degrees insurgent controlled and have been for years. While the Burmese are considering an ambitious eradication program, including aerial herbicide spraying in insurgent areas, it is doubtful that they could develop either the technical or military capability to reduce opium production significantly in these areas. In addition, there is conclusive evidence that high-level Burmese Government and military officials, including some who were responsible for the government's narcotics suppression programs, have profited from protecting drug traffickers. The government is attempt-

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ing to purge these officials, but corruption appears to be so widespread that major doubts remain about how effective any Burmese Government program to combat growing and processing opium can really be.

The ability of the government in *Mexico*—the third area now supplying the US market—to suppress heroin production also seems to have declined. At their peak in 1975, Mexican growers and traffickers produced possibly as much as 6.5 tons of heroin for the US market—probably more than three-fourths of the heroin consumed in the United States that year. Imports from Mexico dropped to about 1 ton and the Mexican market share to below 30 percent in 1979, largely because of the success of a major crop eradication program undertaken by the Mexican Government with strong support from the United States. After 1980, however, Mexican heroin supplies appear to have increased and have remained at 1.5 tons or slightly higher, supplying around one-third of the US market. The increase in production probably occurred because Mexican poppy farmers learned techniques that make their fields harder to find and their poppies more difficult to kill, and cultivation spread into nontraditional areas.

These improved growing techniques together with the continued existence of powerful Mexican trafficking organizations suggest that the government would have to expand its eradication program to reduce significantly Mexican heroin production from its present level. Even maintaining the program at its current level may prove difficult, however, in Mexico's present dire economic circumstances. These circumstances are boosting the incentives for growing opium poppies as other sources of farm income decline while simultaneously limiting the government's ability to divert resources to crop eradication because of the need to stick to a severe austerity program. Increased assistance from the United States could provide some additional resources, but it would probably not obviate the need for some growth in local Mexican resources if the eradication program were to be significantly expanded. Consequently, the outlook for Mexican heroin production, under the best circumstances where the government maintains its current eradication program, is for heroin output to remain at about 1.5 tons or slightly higher. If, despite good intentions, economic stringency forces the government to cut back resources devoted to crop suppression, the situation could worsen considerably, since Mexican heroin production is probably capable of expanding fairly rapidly.

In addition to the inability of governments to extend their control over poppy-growing areas or devote necessary resources to suppression

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programs, a number of other political and economic factors severely hamper efforts to reduce the flow of heroin to the United States:

- A vast amount of heroin is potentially available worldwide for diversion into illegal channels from opium poppies grown for the legal pharmaceutical market and for illegal but traditional consumption in Asian societies. Only about 3 percent of total opium production (legal and illegal) and less than 10 percent of all illicit output is shipped to industrial countries in the form of heroin. The entire illicit heroin consumption of these countries could be grown from poppy acreage equivalent to an area smaller than Washington, D.C.
- If the price were right, opium poppy production could easily be expanded in both traditional and new areas to meet the demands of the comparatively small US and Western illicit markets; there are few agricultural restrictions on where it can be grown. Furthermore, a shrinking of the licit market for opium poppy derivatives could cause diversion into illegal channels of some part of the massive legal crop grown in India by farmers who would be loath to give up this important source of income.
- Extraordinary revenues are generated by illegally producing and moving heroin, far more than can be earned any legal way by all participants in the system. Many billions of dollars are produced annually by the sale of heroin used in the United States.
- Sufficient heroin to supply the US market can be smuggled in such individual small quantities as to make confiscation of significant amounts virtually impossible. In addition, disrupting supplies by enforcement action will not be as easy as in the 1970s because there are many more small, independent networks now than in the past.

One possible approach which might—although probably not within the time frame of this Estimate—improve capabilities for inhibiting trafficking of heroin to the United States involves disrupting narcotics-generated financial flows into and out of the United States. Attacking these flows through combined intelligence/diplomatic/enforcement actions conceivably could reduce profits and raise risks to trafficking organizations sufficiently to diminish their enthusiasm for supplying the US market. The Intelligence Community is actively studying the feasibility and implications of attempting this approach.

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## DISCUSSION

## The Setting

1. *Changing Import Patterns.* Of the 4 metric tons or so of heroin that now enters the United States annually, a little over half comes from opium grown in Southwest Asia (Afghanistan, Pakistan, and Iran), about one-third originates in Mexico, and the remaining 10 to 15 percent is produced in the "Golden Triangle" in Southeast Asia (Thailand, Burma, and Laos). (See table 1.) This import pattern, which has held fairly steady since 1980, is quite different from

the pattern that was evident through most of the 1970s. Especially through the middle of that decade, single source areas tended to dominate the market. In 1971, for example, 80 percent of US heroin came from Turkey. By 1975, however, Turkey had disappeared as a supplier for the US market, while Mexico had risen to prominence, supplying about 85 percent of imports. By 1980, the principal supplier had changed once again, with half of the US market supplied by Southwest Asia, as Mexico dropped to 40 percent and the Golden Triangle constituted about 10 percent.

**Table 1**  
**Estimated Supply of Heroin to the United States From Principal Foreign Sources, 1975-83<sup>a</sup>**

Metric tons

Area	1975	1976	1977	1978	1979	1980	1981	1982	1983
Mexico	6.5 <sup>b</sup> (85)	4.0 (65)	3.0 (55)	2.0 (45)	1.0 (30)	1.5 <sup>c</sup> (40)	1.5 (40)	NA	1.7 <sup>d</sup>
Southeast Asia	1.0 (15)	2.0 (35)	2.0 (35)	1.5 (40)	1.0 (30)	0.5 (10)	0.5 (10)	NA	NA <sup>e</sup>
Southwest Asia	Negl	Negl	0.5 (10)	1.0 (20)	1.5 (40)	2.0 (50)	2.0 (50)	NA	NA
<b>Total</b>	<b>7.5</b>	<b>6.0</b>	<b>5.5</b>	<b>4.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.0</b>	<b>NA<sup>f</sup></b>	<b>NA</b>

NOTE: US market shares are in parentheses.

<sup>a</sup> These figures are generally rough estimates rather than hard numbers. They are believed, however, to accurately reflect trends and magnitudes. All numbers have been rounded to the nearest 5. The figures from 1975-79 come from DEA files. Those from 1980-81 are derived from the 1981 National Narcotics Intelligence Consumers Committee report.

<sup>b</sup> Our best estimate of heroin imports from Mexico in the peak year of 1975 is 6.5 tons. This figure, however, illustrates how uncertain we are of the accuracy of heroin statistics generally. We have modeled a number of dimensions of heroin supply and demand for the period 1970 to 1982. The amount of heroin that we estimate was imported from Mexico in 1975 is not, according to the model, congruent with what we think demand was that year. Six and a half tons of heroin should have more than met consumption needs across the nation. If, because of the highly regionalized nature of the US market, there was still something of a shortage on the east coast in 1975, then, according to the model, there should have been so much heroin available in the western and southwestern markets that addiction figures and purity there should have risen sharply and prices should have plummeted. Information available from the west

and southwest for that period, however, does not reflect these kinds of sharp changes. The most likely explanation is that our estimate for Mexican heroin production for that year is too high.

<sup>c</sup> The 1980 Mexico production figure of 1.5 tons of heroin is based on a methodology which was not available in earlier years. Consequently, the 1979 and 1980 figures are not strictly comparable and the exact percentage of increase cannot be known accurately. Nonetheless, the totality of available evidence indicates that some increase in Mexican heroin production has occurred since the low point was reached in about 1979, and the new level has been maintained or may have even slightly increased during the last three years.

<sup>d</sup> CIA projection.

<sup>e</sup> The 1982-83 opium harvest in Southeast Asia has been excellent, suggesting this area will have at least as much heroin available for export to the United States as it did in 1982.

[redacted] indicates that 5.2 metric tons of heroin were imported into the United States in 1982, 30 percent more than in 1981. Of this total, Southwest Asia may have accounted for 2.7 tons or 52 percent, Mexico 1.8 tons or 34 percent, and Southeast Asia 0.7 tons or 14 percent.

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2. These swings in sources of supply were caused, in part, by two US policy initiatives that resulted in successive sharp reductions in the amount of Turkish and Mexican heroin entering the United States. In the early 1970s, Washington convinced Ankara to take action that largely eliminated illicit opium production in Turkey. At about the same time, joint Washington-Paris law enforcement efforts severely disrupted the trafficking network—the “Turkish-French Connection”—that refined Turkish opium into heroin and smuggled it into the United States. In the mid-1970s, joint efforts by Washington and Mexico city successfully cut Mexican opium poppy crops. A two-year drought in the Golden Triangle in the late 1970s also affected marketing patterns; as the inflow of heroin from that source declined, Golden Triangle heroin was not available to take up the market share lost by the Mexicans as their supplies shrank.

3. In each case of supply disruption, however, other sources soon emerged. As it became clear, for example, that demand for heroin would not be met from Turkish crops, plantings of opium poppies increased dramatically in Mexico, and the tonnage of Mexican heroin exported to the United States went up sharply each year between 1971 and 1975. Similarly, the drop in availability of Mexican heroin in 1976 and 1977 opened the way for heroin from Southwest Asia—which had bumper opium poppy crops in 1978 and 1979—to penetrate the US market in increasing quantities. The drought in the Golden Triangle reduced competition from that source, so that the Southwest Asian market share in the United States grew steadily from virtually none in 1976 to better than 50 percent in 1981. The rise in imports from Southwest Asia seems to have leveled off at about that point, however, and it appears doubtful that supplies from that source will in the future dominate the US market the way Turkey and Mexico once did. In part, this results from the partial recovery of opium poppy crops in Mexico, beginning about 1980, as growers there found ways to circumvent the government eradication program, and because of three bumper crops in the Golden Triangle following the end of the drought. In part, it may also result from some basic changes that have occurred in trafficking patterns and in the nature of the market in the United States over the last 10 years.

4. *Changing Consumption and Marketing Patterns.* The two major supply disruptions in the 1970s produced a cyclical pattern in heroin use within the United States as consumption rose and fell with availability. During periods of relative shortage, some occasional users went off the drug, some addicts turned to methadone clinics, and many addicts used other drugs. Once heroin supplies became more available, both occasional users and many addicts returned to heroin as their drug of choice. Peaks and troughs in heroin use can be traced through rises and falls in such indicators as deaths and injuries due to overdoses, admissions to clinics, price changes in retail sales, and measures of purity. According to these indicators, US consumption was high in 1970, fell to a low point in 1973 following the loss of Turkish supplies, rebuilt to a peak in 1975, and dropped again to a low in 1978-79 after Mexican heroin became scarce. If this three-to-four-year cycle between peaks and troughs continues to hold true, supply and consumption could be approaching another high point, especially if new supplies from the bumper crops in the Golden Triangle enter the US market with no concomitant drop in imports for Mexico or Southwest Asia. (See figure 1.)

5. Along with these supply-induced cyclical movements, there have been other longer term influences that at least up to now are tending to reduce overall consumption. Although the evidence is not conclusive, most experts believe that the high levels in consumption reached in the late 1960s and early 1970s and in 1975 are not likely to be attained again, because:

- The number of persons in the prime age category for drug use (17 to 25) has fallen significantly.
- Many heroin addicts have become multiple drug users so that, even when heroin supplies increase, addicts do not consume as much as when they were on heroin exclusively.
- A significant subset of the population that formerly used heroin now prefers narcotic analgesics such as codeine.

6. The swings in heroin availability over the last 10 years or so have not occurred evenly throughout the United States. Because the trafficking networks that market heroin have much better access to some US

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**US Supplies of Heroin**

	Event	Major Suppliers	Use Cycles
1970	○ Turkish-French connection strong	☉ Mainly Turkish with 10 to 15 percent from Golden Triangle and perhaps a similar share from Mexico	○ Peak
71			
72	○ Turkish-French connection disrupted and Turks ban opium production		
73		○ Mexico emerges rapidly as the major drug source	○ Trough
74			
75			
76			○ Peak
77	○ Mexican crop sharply reduced by eradication program		
78			○ Trough
79	○ Drought in Golden Triangle and bumper crop in Southwest Asia	☉ Southwest Asia becomes major supplier, and by 1980 Mexican heroin becomes more readily available; Golden Triangle supplies also rebound in 1982, climbing to above 15 percent	
80			
81	○ Bumper crop in Golden Triangle		
82	○ Bumper crop in Golden Triangle		
83	○ Continued good crop in Golden Triangle		☉ Peak (?)

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cities than others and because, especially earlier in the decade, strong preferences existed among users for heroin from a particular source, the US market has been relatively regionalized. The clandestine nature of heroin trafficking and the strong desire to avoid arrest means that common bonds reflected in ethnic, language, and even family ties are essential to building and maintaining needed links of trust. This means that trafficking organizations are very hesitant about serving communities other than those in which they are well established or about making new connections to obtain supplies of narcotics when traditional links are disrupted. The Turkish opium ban and the disruption of the Turkish-French Connection, for example, hit the east coast hard as supplies fell off and prices rose sharply. Meanwhile, the west coast and southwest markets, traditionally served by Mexico, were little affected. Mexican heroin, as production increased,

eventually worked its way east, but this took one to two years. The opposite pattern occurred when Mexican supplies plummeted in the mid-1970s: heroin availability in the southwest and west fell off, while the east was affected only marginally.

7. Some of this regionalism may be breaking down. In particular, changes have occurred in the number and variety of trafficking networks serving the United States which may enhance their ability to fill more quickly than in the past vacuums created either by shortages of heroin from specific areas or law enforcement successes against individual networks more quickly than in the past. Southwest Asian heroin, for example, is being smuggled into the United States by Italian crime syndicates, by Lebanese traffickers, and, increasingly, by Pakistanis. Even some of the former French-Corsican traffickers are reappearing. Smuggling of Golden Triangle heroin has spread beyond

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traditional Chinese groups to include emerging alliances with southern European traffickers. Mexican heroin still is smuggled and distributed almost exclusively by Mexican networks, but these groups over the years have moved out of the southwest along with the spread of Mexican immigrants. Mexican distributors have also probably retained some of the connections they made on the east coast when they eventually responded to a heroin shortage there in the early 1970s.

### Political-Economic Obstacles To Supply Disruption Efforts

8. Any supply disruption program faces a number of major obstacles to success. In particular:

- A vast amount of heroin is potentially available for diversion into illegal channels from opium poppies grown for the legal pharmaceutical market.
- If the price were right, opium poppy production could easily be expanded enough in both traditional and new areas to meet the comparatively small illicit consumption in the Western world; there are few agricultural restrictions on where it can be grown, although it would take a year or two before the necessary production skills could be transferred to new areas.
- Extraordinary revenues are generated by producing and moving illegal heroin—vastly more than can be earned any legal way by all participants in the system.
- Sufficient heroin to supply the illegal market can be smuggled in such small quantities as to make confiscation of significant amounts virtually impossible.
- Most governments in countries where opium poppies are grown for the illegal market have virtually no political or military control over the producing areas.

9. *Consumption of Illegal Heroin Versus Potential Output.* The amount of illegal heroin consumed in industrial countries is minuscule compared with the amount that could be produced either by diversion from licit production or from new plantings. About

300 to 400 metric tons of opium poppy derivatives (measured in heroin equivalent tonnage<sup>1</sup>) are produced annually throughout the world. About half of these derivatives are sold to pharmaceutical firms, mainly for producing codeine. (See figure 2.) Most of the remaining poppy plant crop is consumed illegally (by smoking or eating) in traditional Asian societies. Only about 3 percent of total production (legal and illegal) and less than 10 percent of illicit output is shipped to industrial countries in the form of heroin. (See table 2.) The entire illicit heroin consumption of these countries could be grown from opium poppy acreage equivalent to an area smaller than Washington, D.C.

10. Industrial country illegal heroin needs thus can be satisfied by small shifts of supplies from traditional to modern societies and from legal to illegal channels. Although only minor amounts of legally grown poppy now seem to be diverted to illegal use, higher prices would probably substantially increase the flow, especially since stocks from legal production are at record levels and are likely to remain so for the next few years. The worldwide demand for legal drugs based on the opium poppy plant has stagnated since the mid-1970s despite relatively low global prices.

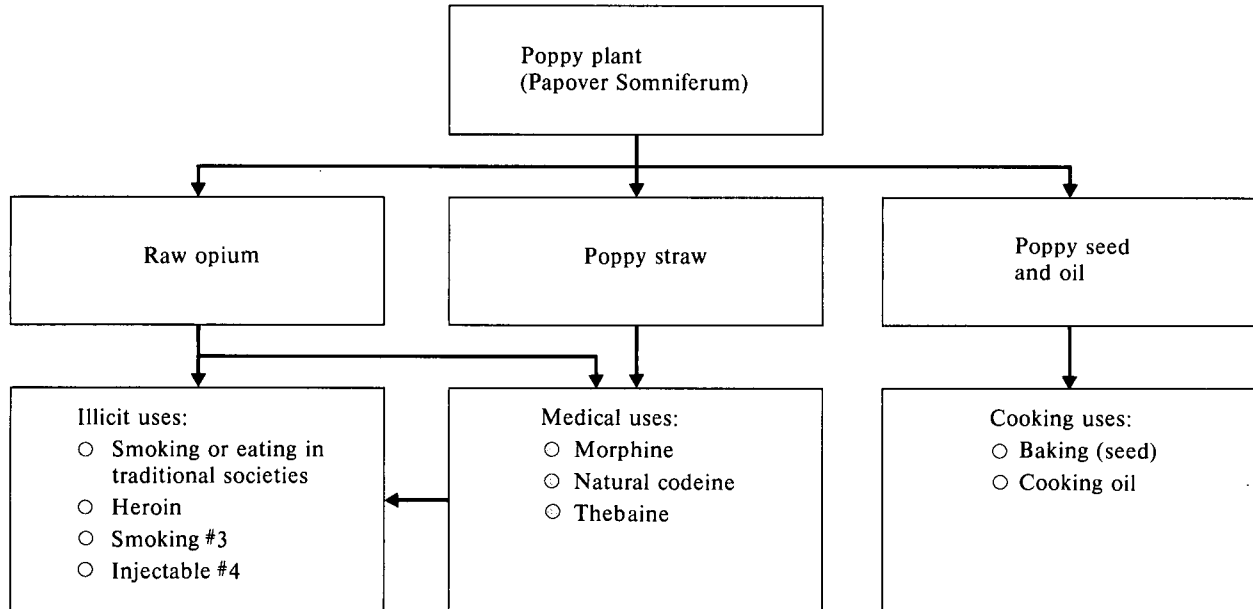
11. Although opium poppy plants mainly are cultivated in Asian regions stretching from Turkey to Laos (including the central Asian republics of the USSR) (see figure 3), they can be grown nearly anywhere. The Asian regions provide almost all the global output because of a combination of circumstances—favorable climatic conditions, longstanding traditional uses of opium poppy derivatives, and an abundant supply of cheap labor to tend the labor-intensive growing process (see inset). The concentration of cultivation, however, is influenced more by the social and economic factors than botanical necessity. Opium poppies have been grown successfully, on a commercial basis, in at least 10 US states from Vermont to California.

12. *Revenues From Producing and Trafficking in Heroin.* The production and distribution of illegal opium, morphine base, and heroin provide enormous

<sup>1</sup> For consistency, the amount of opium gum, poppy straw, morphine base, and heroin are all stated in their heroin equivalent weight.

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**Figure 2**  
**Opium Poppy Plant: Derivatives**



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cash returns for all involved. (See table 3.) Despite the risk, the rewards available seem to bring forth an unceasing stream of the relatively few persons needed to move illicit supplies into industrial countries. Some 80 to 90 percent of the many billions of dollars in gross revenues on heroin used in the United States are earned by domestic US distributors. The remainder goes to traffickers, the laboratory operators, and to the farmers. Although the returns to the farmer are less than one-tenth of 1 percent of the street value, they are substantial from his point of view. Except when opium prices are unusually depressed, no other crop offers the same payoff. Net revenues from illicit opium poppy production are most often two to five times more than alternative legal crops. In some cases, as in parts of Afghanistan, there are no practical substitutable crops. Agricultural workers needed to tend the poppy plant are easy to obtain since they are paid up to four times their normal wage.

3. The payoffs for the smuggler bringing heroin from European laboratories to US distributors are huge, even when a "modest" threefold to sixfold return is received, and when two out of 10 shipments are seized (an extreme event). Smugglers now pay roughly \$50,000 for each kilogram at the European laboratory and receive from \$200,000 to \$300,000 in the United States. Their costs of operation (couriers, bribes, and so forth) are perhaps \$25,000. Given these numbers, the smugglers' net revenues from 10 1-kilogram shipments, with two seized, would be \$1-1.8 million.

14. *Problems of Interdiction.* Trafficking in illegal heroin is greatly facilitated by the small tonnage involved and the ability to ship heroin in parcels of almost any size or shape. Total US imports of illicit heroin have generally ranged from 4 to 6 tons a year, a minute fraction of the nearly 500 million tons of goods

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**Table 2** *Metric tons*  
**Opium Poppy Plant:**  
**Global Production and Use <sup>a</sup>**

<b>Production <sup>b</sup></b>	
<b>Mainly licit</b>	
India	100 to 130
Turkey (poppy straw)	40 to 90
Other (poppy straw)	50 to 80
Subtotal <sup>c</sup>	200 to 250
<b>Mainly illicit</b>	
Golden Triangle	30 to 50
Southwest Asia	70 to 140
Mexico	1 to 2
Subtotal <sup>c</sup>	100 to 150
<b>Total</b>	<b>300 to 400</b>
<b>Use</b>	
<b>Licit-global</b>	
United States	40 to 45
<b>Illicit-industrial countries</b>	
United States	4 to 6
Western Europe	4 to 6
Other industrial countries	2
LDCs (mainly Asia) <sup>d</sup>	120 to 200
<b>Total</b>	<b>300 to 400</b>

<sup>a</sup> Approximate tons of potential pure heroin equivalent, average annual rate from 1973 to 1983.

<sup>b</sup> Range of normal harvests.

<sup>c</sup> Does not add because lows and highs in individual producing areas do not occur simultaneously.

<sup>d</sup> Includes changes in stocks (both licit and illicit).

brought into the United States annually. That small amount of heroin also could be smuggled in by one-hundredth of 1 percent of the more than 200 million persons entering this country each year, assuming each trafficker carried a half pound. Given these numbers and the multitude of possible smuggling routes, the chances of confiscating more than a small portion of illegal heroin are nil. Most estimates indicate that less than 10 percent of the heroin smuggled into the United States is seized at points between the border and the consumer. Border interdiction of heroin is much more difficult than such bulky contraband items as arms, marijuana, liquor, and cigarettes.

15. *Constraints on Governments of Producing Countries.* Attempting to suppress opium poppy cultivation is generally very costly for producing country

**Opium Poppy Plant:**  
**Factors Affecting Production**

The opium poppy plant is best suited to warm but not humid climates. Thus the poppy is most often grown in sometimes irrigated flat terrain in mountain valleys, 3,000 or more feet above sea level.

Opium yields fluctuate widely with weather conditions. A fourfold difference in output can occur depending upon whether there is a drought or ideal growing conditions. In addition, although the poppy plant requires only a moderate amount of water before and during the growth cycle to ensure profitable yields, rainfall during the harvest period can be disastrous because it leaches alkaloids from the pod.

Poppy farmers from Turkey through India seldom devote more than 1 hectare to the crop. In these producing countries, the farmers use the major part of their land to produce food for their own needs, chiefly wheat.

In some producing areas of the Far East, poppy acreage represents a larger portion of the cropped land. Some of the Meo hill tribes of northern Thailand, for example, pursue a slash-and-burn type of agriculture where half or more of the cropped land may be in poppy and the remainder in upland rice.

Mexican farmers until the mid-1970s planted poppy on about a third of a hectare but even these small plots have been reduced to less than a 20th of a hectare since a major eradication program.

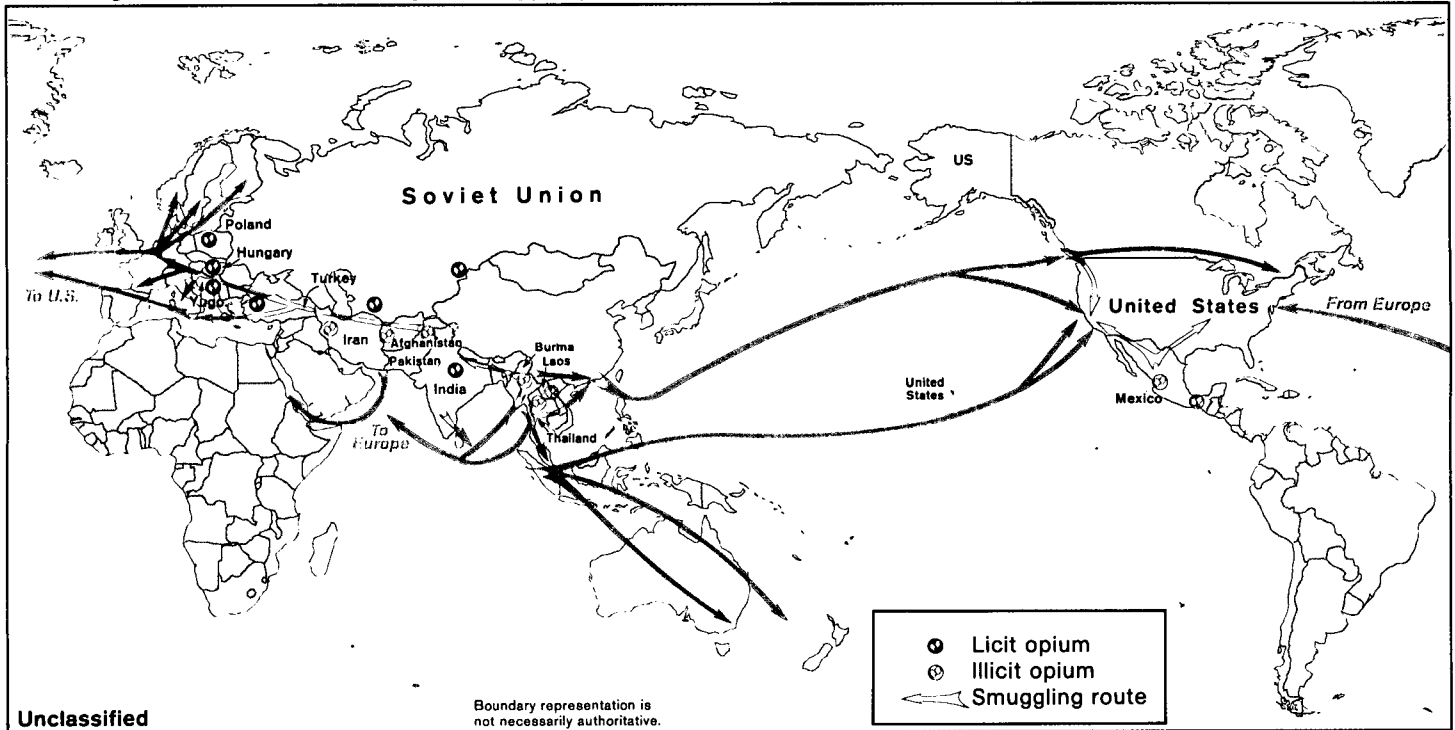
governments.<sup>2</sup> The economic costs for crop eradication and/or substitution programs are great because of the sizable resource commitment needed (especially manpower and equipment such as helicopters) and the income lost, since no other crop can generate the same revenues as narcotics. If heroin production in the country is protected by extensive payoffs to government officials, the potential economic loss to those officials would also act as a deterrent to establishing an effective crop suppression program.

<sup>2</sup> Most of these constraints also affect the ability of governments to control the production of other drugs. SNIE 8/80-83, 28 June 1983, *Implication for the United States of the Colombia Drug Trade*, discusses these factors as they relate to Colombia's efforts, for example, to control the production of marijuana and cocaine.



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**Figure 3**  
**World Opium Producers and Major Smuggling Routes**



**Table 3**  
**Income From Illicit Heroin <sup>a</sup>**

	Asian Heroin		Mexican Heroin	
	Profit	Percent of total	Profit	Percent of total
Farmer	\$300 to \$2,000	Less than one-tenth of 1 percent	\$20,000 to \$30,000	1 to 1.5
Middlemen (from farmer to heroin laboratory operator)	\$350 to \$9,000 <sup>b</sup>	Up to 0.5	\$10,000	0.5
Laboratory operator	\$8,000 to \$50,000	0.5 to 2.5	\$60,000 to \$70,000	3 to 3.5
Middlemen (from laboratory operator to major distributor in the United States)	\$150,000 to \$200,000	7.5 to 10	\$300,000	15
Middlemen (from major distributor to middle-level distributor)	\$250,000 to \$300,000	12.5 to 15	\$400,000	20
Middlemen (from middle-level distributor to user)	\$1.4-1.8 million	75	\$1.2-1.4 million	60
User price	\$1.8-2.3 million			

<sup>a</sup> Approximate gross profits involved in 1 kilogram of pure heroin or equivalent as of December 1982.

<sup>b</sup> The closer the laboratory to the final consumer, the higher the amount.

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16. The political costs can be even greater. If the producing areas in the country are populated by government supporters or, at least, those not in opposition, there is the risk of stimulating active political opposition by moving against their livelihood. If, as is more often the case, the areas where opium is grown and processed are not under effective central government control, the political costs of attempting to extend the government's reach to the point where it could suppress production could be civil unrest, or even insurrection, in those areas.

17. These economic and political costs, while they inhibit government efforts to combat narcotic production, do not always prevent them if sufficient political and economic incentives favorable to undertaking suppression programs develop. Foremost among these positive incentives is a realization by the government that it *needs* to extend its control over the producing area for its own political reasons. In a few cases, heroin addiction may be developing into a domestic problem severe enough to weigh in favor of such a decision. More often, the government is persuaded that the area has to be brought under effective control because it harbors armed political opposition, guerrillas, or some other unacceptable challenge to central authority. In addition, international pressure against illegal drugs has been growing, so that government officials from most illicit opium producing countries have indicated they feel increasing opprobrium from continuing to be a source country. If these factors strengthen the political motivation sufficiently, the willingness to bear the economic costs of at least initiating crop suppression often follows, especially if external assistance is available.

#### Prospects for Reducing Heroin Through Supply Reduction

18. The chances are not good that the amount of heroin now entering the United States can be significantly cut in the next few years by supply reduction programs. Unlike the situation in the 1970s in Turkey and Mexico, the governments of the countries in the primary heroin source areas do not possess the resources to mount significant supply reduction programs and, even if they did, several probably do not possess the will to use them effectively because of the

political costs that would be incurred. In retrospect, for example, it appears that the conditions that pertained in Turkey at the time of the opium ban and that have continued to keep domestically produced Turkish opium off the illegal market for a decade would be extremely difficult to replicate in another country:

- Opium has generally not been used as a narcotic in Turkey so that its cultural significance is less than in growing areas where narcotics use is deeply engrained.
- Turkish governments have a history of carrying out harsh sanctions when disobeyed; their rhetoric tends to be believed, and they have adequate control over growing areas to enforce their will.
- An economically viable substitute was available for Turkish opium farmers. Profits from selling poppy straw to the government are not as great as producing opium gum that can be sold for conversion into heroin, but growing opium poppies still can produce cash.
- The military government which took Turkish opium off the illegal market in 1972 had strong political reasons to move against opium farmers: these producers mainly supported the out-of-power, left-of-center parties, and the military believed narcodollars were financing gunrunning to terrorist groups who were challenging the regime. The producers could be affronted without major political cost to the government.
- Turkish opium smugglers had little incentive to push for renewed domestic opium gum production after the military government stepped down, since relatively large and cheap supplies were available to them from Southwest Asia.

19. Few of these conditions exist or are likely to develop soon in Southwest Asia or the Golden Triangle. Moreover, some important underpinnings for successful pursuit of narcotics suppression activities in Mexico, where the political, social, and economic environment has been more favorable, are changing. In the past, the strength of the ruling political party and years of political stability under the unifying symbol of the Mexican Revolution have permitted the central government to act effectively when it chose to

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do so, even in the most remote regions. In addition, opium has no tradition of use as a narcotic by rural Mexican society, and heroin is rarely used by the burgeoning modern urban class, although this group does consume large quantities of illegally obtained synthetic drugs. Finally, until recently the Mexican Government has had economic resources to spend on narcotics suppression because of its enormous intake of petrodollars.

20. *In Mexico.* Even before Mexico entered its current economic crisis, however, it had begun to experience increasing difficulties in containing opium poppy cultivation. Poppy farmers learned to circumvent eradication efforts by developing techniques which make their fields harder to find and their

poppies more difficult to kill. In addition, poppy cultivation spread beyond the traditional area of Durango and Sinaloa into new regions, including the states of Veracruz, Chiapas, and San Luis Potosi. (See figure 4.) Moreover, even though the government had been willing to move decisively against the politically weak farmers when it began a serious poppy eradication program in 1975, Mexico's federal law enforcement officers did little to disrupt the major Mexican drug smugglers, their laboratories, and their distribution networks. The continued existence of these well-organized, powerful smuggling organizations together with the improved production techniques of Mexican poppy farmers suggest that the Mexican Government would have had to improve its eradication program simply to attempt to keep production from rising. The

**Figure 4**  
**Poppy Cultivation Areas**



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government has succeeded in preventing heroin production from returning to the multiton levels of the mid-1970s. Nonetheless, production has increased somewhat since 1979 and has remained at about 1.5 tons or slightly higher for the last two years. Preliminary indications are that 1983 production will be in the same range.

21. The big danger for Mexico is that the country's present dire economic circumstances are conspiring to boost the incentives for growing opium poppies while simultaneously constraining the government's ability to expand its eradication program. A crop that can generate cash will seem very attractive to Mexican smugglers and farmers at a time when most other sources of foreign earnings are contracting and when farm income is slipping. The Mexican Government's need to hold to a severe austerity program in order to be able to service its massive international debt, however, limits the amount of resources it can afford to devote to crop suppression programs. Increased external assistance from the United States could provide some additional resources, but it would probably not obviate the need for some increase in Mexican manpower, logistic support, and local funding if the eradication program were to be significantly expanded. In addition, competition for resources is likely to increase bureaucratic infighting among the Mexican agencies involved in crop suppression, potentially decreasing the efficiency of government efforts. Moreover, the Mexican Government may be limited in how much external assistance it can accept without affronting strong nationalistic feelings among Mexican politicians.

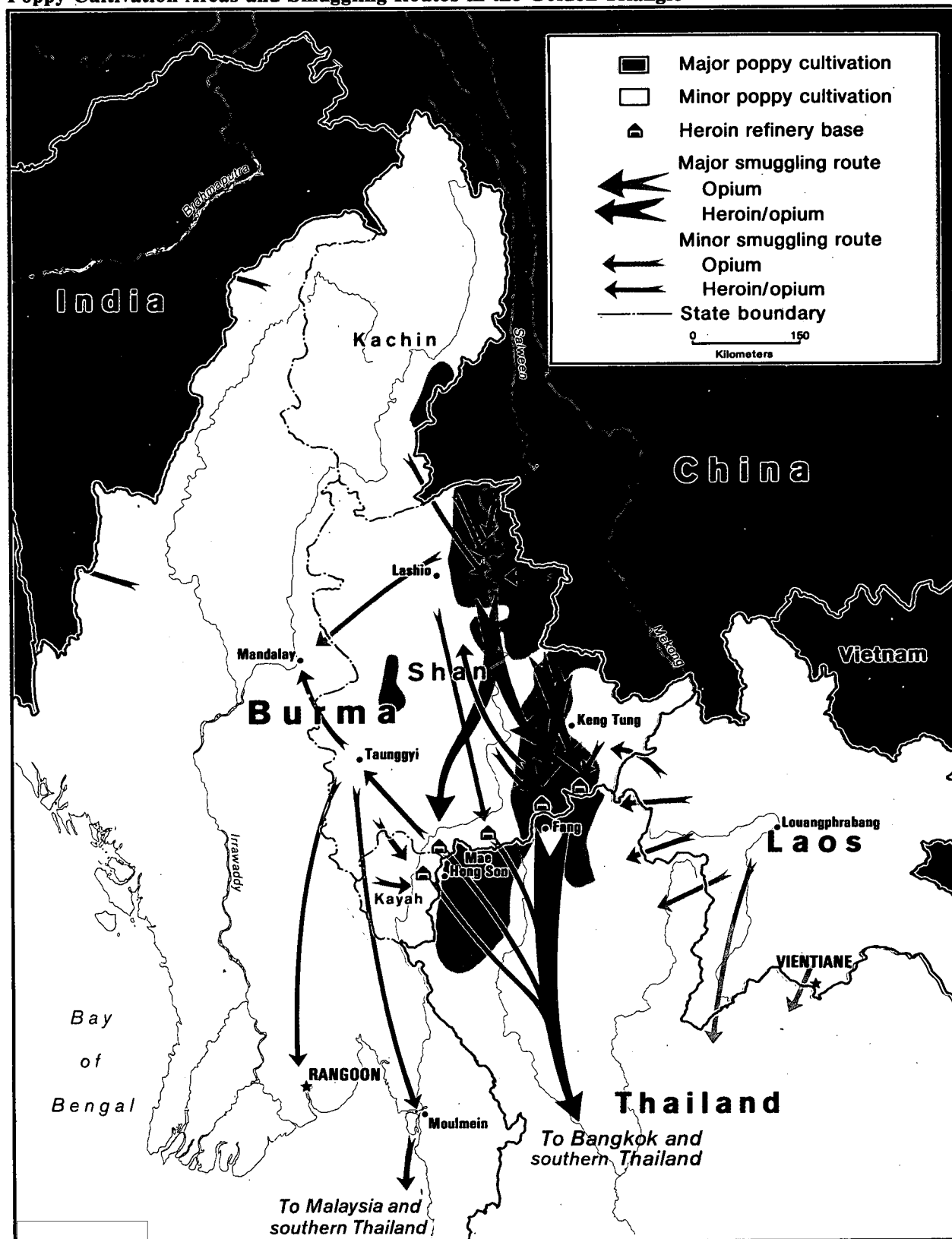
22. In sum, there is little chance that, in present economic circumstances, the Mexican Government can afford to increase significantly the resources it spends on this program or that US Government aid will lead to a greatly expanded effort. Consequently, the outlook for Mexican heroin production, under the best circumstances where the government maintains the eradication program at about its present level, is for heroin output to remain at about 1.5 tons or slightly higher. If, despite good intentions, economic stringency forces the government to cut back resources devoted to crop suppression, the situation could worsen considerably since Mexican heroin production is probably capable of expanding fairly rapidly.

23. *In the Golden Triangle.* The possibility that the governments in this area can substantially reduce the amount of opium grown in the region are minimal, primarily because the central governments exert so little control over most of the main growing locales. In 1982, an estimated 600 tons of opium were harvested in Burma, while Thailand and Laos produced 57 and 50 tons, respectively. The primary problem in Burma is that the states in which opium is grown—Kachin, Kayah, and especially the Shan state in eastern Burma—are to varying degrees insurgent-controlled and have been for years. (See figure 5.) Moreover, opium represents a way of life for most of the people who grow it and use it, and is the principal source of revenue and, therefore, arms and other supplies for the insurgent groups in the area. While the Burmese are considering an ambitious eradication program, including aerial herbicide spraying in insurgent areas, it is doubtful that they could develop either the technical or military capability to reduce opium production significantly in these areas. In addition, there is conclusive evidence that high-level Burmese Government and military officials, including some of those directly responsible for government narcotics suppression programs, have profited from protecting drug traffickers. The Burmese Government is making some efforts to purge these corrupt officials, but corruption appears to be so widespread that major doubts remain about how effective any Burmese Government program to combat growing and processing opium can really be.

24. The Thai Government has to a limited degree supported crop substitution programs, but these have had little impact so far on production. It has also moved vigorously against laboratories that convert opium into heroin, particularly those of the Shan United Army on the Thai-Burmese border. This has had the effect of pushing the laboratories deeper into Burma and into southern Thailand. It has also opened the way for other tribal and insurgent groups, including the Burmese Communist Party, to move from just growing opium poppies into processing heroin. Thai military action seems also to have disrupted some of the traditional routes for smuggling heroin through Thailand to the international market, but these routes were quickly replaced with others.

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**Figure 5**  
**Poppy Cultivation Areas and Smuggling Routes in the Golden Triangle**



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25. The Laotian Government has shown little interest in suppressing opium poppy cultivation or exports. In any case, the amount produced in Laos (and in Thailand) is so small relative to what is harvested in Burma that suppressing the crops in both countries would have virtually no impact on the quantities of opium available from the Golden Triangle for the international market as long as Burmese production is not significantly reduced.

26. *In Southwest Asia.* More illicit opium—some 650 to 925 tons—was produced in this region in 1982 than anywhere else in the world. Because of the political, economic, and security demands they face, it is unlikely that the governments of this area will or, in most cases, can bring to bear the resources necessary to reduce narcotics exports from the region. The primary producer for the export market in 1982 was Afghanistan, which exported an estimated 130 to 190 tons of opium to the international market. The Soviet-backed Karmal regime there is devoting little attention to the narcotics problem. Moreover, most production occurs in areas beyond its control. So far, military operations in these areas do not appear to have significantly disrupted crops, and we do not believe the Soviets or the Afghan Government will expand their control in these insurgent-dominated regions enough to reduce future opium production. The insurgents in these areas, mostly fiercely independent tribesmen who have long engaged in opium cultivation, have no incentive to cut back, since sales of opium provide them with badly needed income not available from any other source.

27. The Pakistani Government moved only haltingly against the narcotics problem until late 1982, when some important officials began to evince a much greater interest in developing antinarcotics programs. Convinced that Pakistan faced a burgeoning heroin abuse problem of its own and under pressure from Western narcotics officials, they attempted to put new pressures on tribal leaders in the main producing areas of Pakistan to put a stop to opium cultivation and heroin trade. These areas, however, are mostly along the frontier with Afghanistan in the North-West Frontier Province (NWFP), which is only partly under provincial or federal government control. (See figure 6.) Some heroin conversion laboratories were reported-

ly closed as a result of government pressure, but the longer term effects on the narcotics trade are likely to be only minimal. Tribal leaders will probably be unwilling to enforce antidrug measures if it appears, as is likely, that such actions will economically hurt their tribe and benefit another. In addition, the heroin laboratories are difficult to detect and easily moved, including possibly across the border into Afghanistan if necessary. Finally, the federal government is unlikely to mount its own sweeping antinarcotics drive in the NWFP because the violence likely to accompany such action could further disrupt the area's already weak economy, destabilize the Afghan refugee situation, and provoke hostilities from the militant Pushtun tribes.

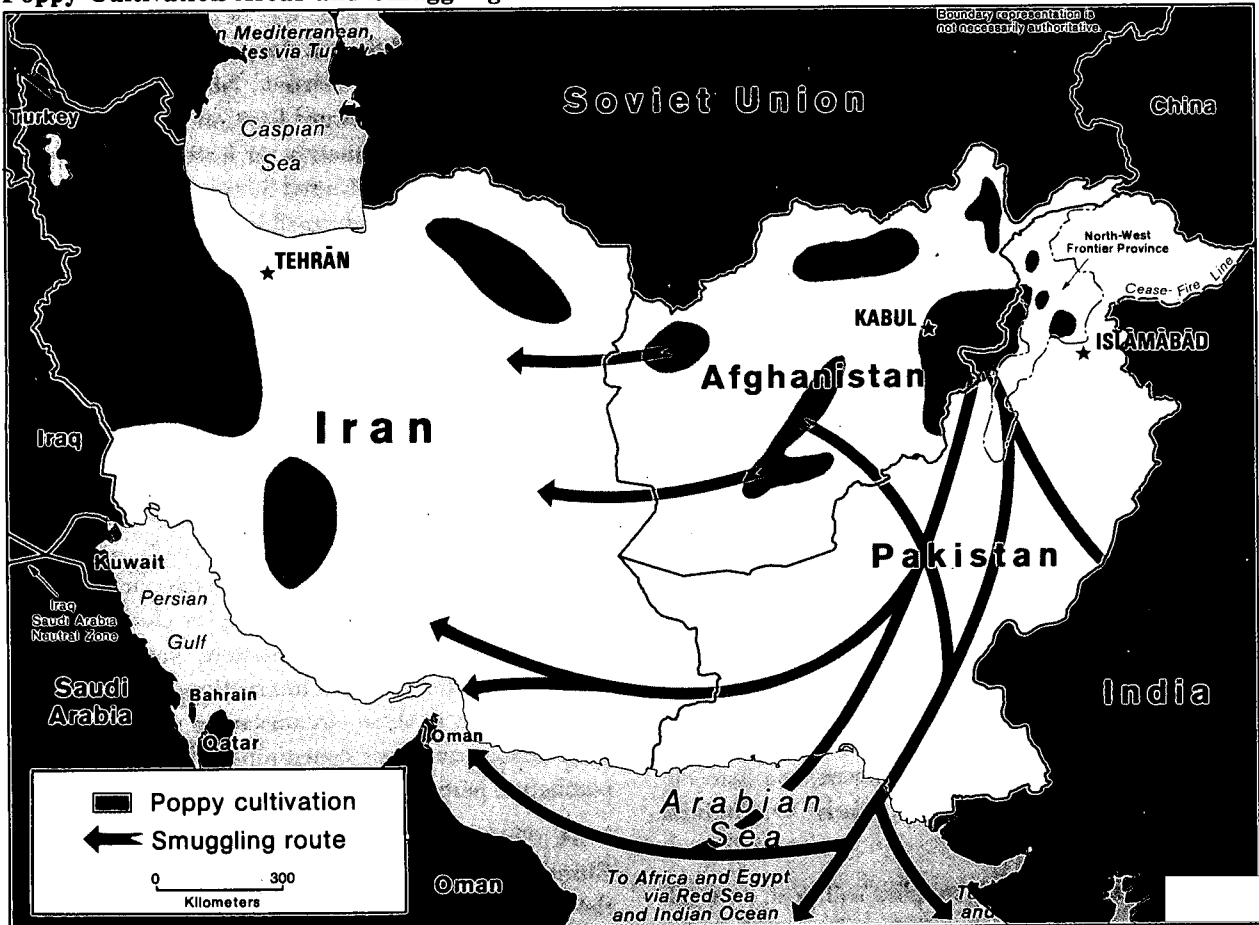
28. Iran is the largest opium producer in Southwest Asia, exporting a small portion of its crop through Turkey to Europe and the United States. Overall, however, it probably has been a net opium importer, because it relies heavily on surplus production from Afghanistan and Pakistan to meet the needs of its large user population. The Iranian Government's antinarcotics program is ineffective because of lack of resources and the organizational deficiencies of those parts of the bureaucracy responsible for narcotics control, civil disorder in some parts of the countryside, and lack of government control in some border areas. None of these conditions is likely to change in the near future, leaving Iran a question mark as to how much of its production is potentially available to the international market if other sources of heroin dried up and prices rose significantly.

29. *In Other Countries.* Very little illicit heroin now enters the United States from countries other than Mexico and those in the Golden Triangle and Southwest Asia. Under the right market conditions, however, this situation could change. There is the danger, for example, that if supplies from a current producer were drastically reduced and other current sources did not pick up the slack (thereby raising the price of heroin significantly), a portion of India's vast licit production of opium might be diverted into illegal channels. Although India's 1982 opium production dropped to 700 tons as New Delhi tried to reduce mounting stocks that have resulted from stagnating world demand for licit opium, it has generally produced some 1,000 to 1,300 tons of opium each year for conversion to

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**Figure 6**  
**Poppy Cultivation Areas and Smuggling Routes in Southwest Asia**



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pharmaceutical products. Only a tiny fraction of this amount (40 to 60 tons) would be needed to supply the entire US heroin market. The facts that India already has well-established trafficking organizations which, for example, supply a depressant, methaqualone, to South Africa and that the country recently has become a transit point for heroin from the Golden Triangle and from Southwest Asia to western markets point up this danger. A second market change that could cause the diversion of Indian production from licit to illicit channels would be a major shrinkage of world demand for pharmaceutical products made from opium poppies. Indian farmers would strongly resist government efforts to force them to cut back on the amount of opium now sold. They could probably fairly easily begin to underreport the acreage they plant in opium

poppies and divert this part of their crop to the illegal market.

30. Because of the wide range of agricultural conditions under which opium can be grown, it would also not be surprising if other countries started to produce heroin if world demand began to outstrip supply. Those countries most likely to move in this direction would be ones in which there are (a) a supply of cheap agricultural labor, (b) rural areas over which the government has little control, and (c) established trafficking networks which could add heroin to the line of products they already market. Two countries where these conditions pertain, for example, are Lebanon and Colombia. Lebanese traffickers already move Southwest Asian heroin, and it is conceivable they

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could develop their own production capabilities if their present sources of opium became unavailable. Colombian drug networks, which already produce cocaine and marijuana and traffic in methaqualone for the US market, might also diversify into heroin under the right circumstances.

### Implications for US Heroin Supply Disruption Policies

31. In the next few years, the United States will be hard pressed even to contain the amount of heroin entering this country let alone to reduce it significantly through supply reduction programs:

- Governments that have the political muscle to cut sharply illicit opium poppy production—Turkey and Mexico—have already done so. Even holding the line will be a problem in Mexico because of pressures the government will be under to divert resources now going into crop eradication programs to what the Mexicans are likely to perceive as higher priority uses.
- Abundant supplies from the Golden Triangle will be available from recent bumper crops, and amounts available from Southwest Asia (particularly Afghanistan) are not likely to diminish significantly.
- Large excesses of licit supplies will exist, especially in India, and these will be a tempting source for the illicit market.
- Disrupting supplies by enforcement action against trafficking networks will not be as easy as in the 1970s because there are many more small, independent networks now than in the past. To achieve a dramatic reduction similar to what happened when the French Connection was broken up would require the simultaneous disruption of a large number of those networks.
- Many of these traffickers probably have developed—or could develop more easily than in the 1970s—distribution capabilities in more than one regional market in the United States. As a consequence, it is possible that shortages in one region could be much more quickly made up by supplies from another area than in the past.

32. Despite this prognosis, there are three reasons for continuing to pursue foreign supply disruption programs. First, there is no way of calculating whether and how much additional heroin might flow to the United States if they ceased. No one can predict precisely where the upward limit on heroin consumption might be. Consequently, at least some risk exists that heroin use in the United States would rise significantly in intensity and possibly in magnitude if the retail price dropped sharply because our market was flooded by supplies of this opiate.

33. Second, they are an important symbol. US leadership in pushing bilateral and international supply reduction programs provides an important indicator of the depth of US concern about the societal harm caused by the drug. Particularly as heroin abuse increases as a social problem in Western Europe and other countries (such as Pakistan) with which the United States has close ties, these governments will probably look to the United States for closer cooperation on narcotics suppression matters. Not maintaining US initiatives for joint and international supply reduction programs in these circumstances would probably raise serious questions concerning US sincerity about combating heroin abuse.

34. Third, with the rising concern among West European governments over increasing heroin abuse, the conditions are improving for even closer joint intelligence and law enforcement action against the same trafficking networks that often supply both Europe and the United States. The West Europeans have also become more willing to encourage crop suppression efforts in source countries, adding to already growing international diplomatic pressures on the governments of those countries and possibly to the resources available for crop eradication, substitution, and interdiction programs there. While there is little chance that these efforts will significantly reduce heroin availability in the United States over the next few years, they provide some hope that the participants in the poppyfield-to-street-market heroin chain can be kept under enough pressure to limit growth in future supplies.

35. One other possible approach which might—although probably not within the time frame of this



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Estimate—improve capabilities for inhibiting trafficking of heroin to the United States involves disrupting narcotics-generated financial flows. Attacking these flows through combined intelligence/diplomatic/enforcement actions conceivably could reduce profits

and raise risks to trafficking organizations sufficiently to diminish their enthusiasm for supplying the US market. The Intelligence Community is actively studying the feasibility and implications of attempting this approach.

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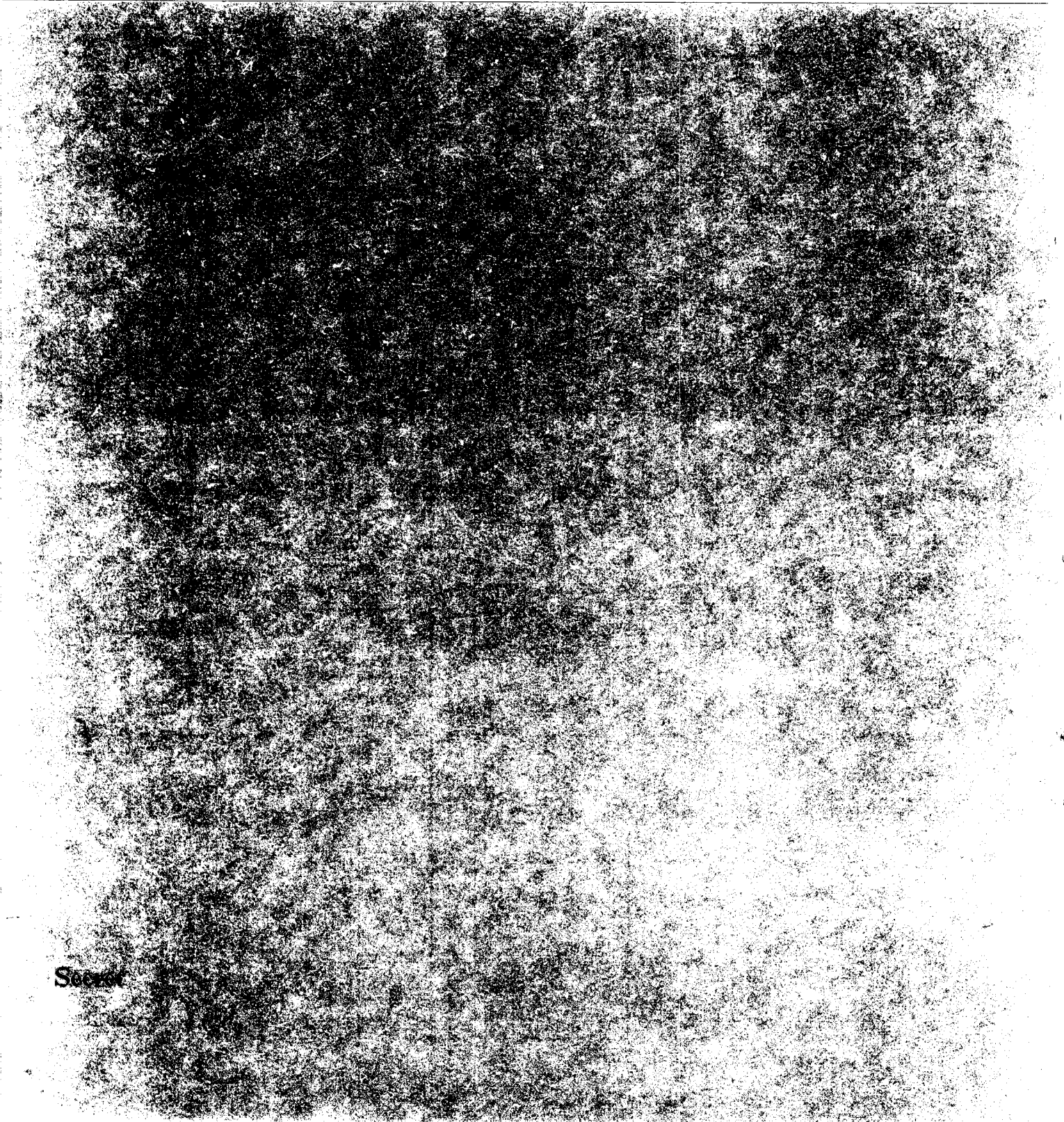
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