
International Narcotics Control Strategy Report, 1996

By

U.S. Department of State

[The following is a reprint of an on-the-record briefing which was jointly presented at the Department of State, Washington, D.C., on March 1, 1996, by Timothy Wirth, Under Secretary of State For Global Affairs, and Robert Gelbard, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs.]

Under Secretary Wirth: Thank you all very much for coming. This past year constitutes a milestone in the fight against international narcotics trafficking.

As you know, President Clinton is committed to a broad-based counternarcotics strategy, both at home and abroad. His recent appointment of a superb army officer, General McCafferey, who was confirmed yesterday, makes clear the President's intention to step up efforts even more in 1996. [Prior to his new position as Director of the Office of National Drug Control Policy (ONDCP) in the Executive Office of the President, General Barry R. McCafferey, USA (now retired) served as the Commander-in-Chief, U.S. Southern Command.]

On the international side, the President has issued a comprehensive strategy to counter the growing threat posed by heroin trafficking, a truly global operation that must be tackled on several fronts.

President Clinton also chose to focus his remarks to the U.N. on its 50th Anniversary on the issue of transnational crime and drug trafficking, in particular. He laid out a plan to shut down the drug cartel's operations by, among other things, targeting their numerous business interests, front companies, investments, and their use of the international banking system to launder illicit gains. We'll be moving further on these initiatives this year.

Once again, we have looked to other governments to join us to address production and trafficking in so-called "source countries." These are the countries that, by law, must be certified every year as fully cooperating with the United States or taking adequate steps on their own to fight narcotics.

The annual certification process is not simply a one day or even a one month event. We work with the governments that must be certified all year long, making clear our expectations, providing them assistance where appropriate, and alerting them where there are problems. Our standards are very high because they have to be, and other governments know that.

The law written in 1961 is very clear. Even so, the President's final certification decisions are difficult because they demand frank and honest assessments of the performance of other governments—not individuals, not bureaus, but governments.

This year has been no exception in that respect. Some countries may find the results hard to swallow, but we believe that we cannot solve problems without first being honest about them and identifying them.

Ambassador Robert Gelbard, our Assistant Secretary for International Narcotics and Law Enforcement, has managed the certification process again this year as he has for the past three years with enormous energy, stick-tuitiveness, and I will tell you, in many cases, very significant bravery. He is here today to explain the President's final certification decisions that were completed this morning and to answer your questions.

So it's a great pleasure to introduce one of the State Department's very finest people, Ambassador Robert Gelbard.

Assistant Secretary Gelbard: Today, President Clinton sent to Congress his decisions on narcotics certification for 31 major drug-producing and transit countries. The State Department also sent to Congress its Annual International Narcotics Control Strategy Report.

Our report describes the anti-narcotics efforts of over 140 countries, including all countries that have received United States anti-narcotics assistance in the past two years.

Before I talk about the specific decisions, let me briefly describe the two-stage certification process. First, the Foreign Assistant Act requires that the President identify a list of the major drug-producing and transit countries as defined in the law. The current list was based on information from last year's International Narcotics Control Strategy Report and other sources.

The President transmitted the list of 31 major drug-producing and transit countries to Congress on February 21. This year, the President added Cambodia and Belize to the list. All countries on the list are subsequently subject to the second stage of the process—the certification determinations.

Inclusion on the list does not reflect anti-drug performance. It is simply a recognition that large amounts of illicit drugs are produced in or transit through that country.

For the 31 countries on the list, the President must determine whether, during the previous calendar year, they cooperated fully with the United States or took adequate steps on their own to meet the goals and objectives of the 1988 United Nations Convention on drug trafficking.

The law provides the President with three certification options. He may certify that a country is cooperating with the United States and/or taking adequate steps on its own to meet the goals and objectives stated in the 1988 U.N. Convention.

Second, and alternatively, he may deny certification; or, third, for a country whose counternarcotics performance does not qualify for certification, he may make a vital national interest certification. This is done when United States national interests outweigh the risks of less than full cooperation.

This determination allows the United States to cooperate, provide foreign assistance, and vote for assistance from the multilateral development banks despite the country's failure to meet full narcotics certification standards.

If the President determines that full certification or vital national interest certification is appropriate, foreign assistance will remain unchanged. [A "national interest certification" serves to waive the statutory requirements for terminating U.S. assistance.] However, if the President denies certification, most categories of assistance are immediately cut off except for counternarcotics and some forms of humanitarian aid.

This means halting most forms of aid under the Foreign Assistance Act, the Arms Export Control Act and financing through the Export-Import Bank and OPIC [the Overseas Private Investment Corporation]. The U.S. is also obliged to vote against any loans to the country in most of the multilateral development banks.

This year, the President certified 22 of the 31 countries as fully cooperating with the United States in counter-drug efforts and/or taking adequate steps on their own to meet the goals and objectives stated in the 1988 U.N. Convention on Drugs. They are the Bahamas, Belize, Bolivia, Brazil, Cambodia, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Peru, Taiwan, Thailand, Venezuela, and Vietnam.

Both Bolivia and Peru received a vital national interest certification last year. They improved their performance and have now been certified by the President as fully cooperating.

The President granted vital national interest certifications to three countries: Lebanon, Paraguay, and Pakistan. The President denied certifications to six countries Afghanistan, Burma, Colombia, Iran, Nigeria, and Syria. Colombia received a vital national interest certification last year.

Before I take your questions, I want to explain the reasoning behind some of the critical decisions.

This year, the President has taken strong actions against drug trafficking and other forms of international organized crime. Building on the cocaine source-country strategy, Presidential Directive 14, the President provided two other directives, PDD-42 and PDD-44, attacking heroin trafficking and global organized crime.

Clearly, these efforts have had an impact. By early 1996, there were more prominent drug figures behind bars than at any comparable period in the past few years. Drug crop eradication, a measure once fiercely resisted by many of the major drug-cultivating countries, gained better acceptance as a means of limiting coca and opium poppy production.

This year, more countries enacted tougher money laundering laws and tightened restrictions on the commerce and processing chemicals. The President shut off the access of many Cali-front companies to the U.S. marketplace, using his authority under the International Emergency Economic Powers Act.

For the third year in a row, the President has applied a rigorous standard in his certification decisions. But as this year's decisions reflect, more clearly needs to be done. The President will continue to apply these tough standards in the future to ensure international cooperation against narcotics trafficking.

The decision to deny Colombia certification was not made lightly. We work with some extremely dedicated individuals who, in spite of tremendous odds, have continued to attack the drug syndicates. Many valiant Colombians have died fighting the drug trade.

It is crystal clear, however, that narcotics interests have gained an unprecedented foothold in Colombia, undermining much of the progress that Colombia's most motivated public servants could have hoped to have made. There is no doubt at this point that the Samper campaign receives significant financing from Colombian drug lords. This has been publicly acknowledged.

The U.S. Government expressed its concern in late 1993, early in the electoral campaign, about the influence of narcotics money in the Samper campaign. These concerns were raised again prior to the inauguration of the Samper government. We told the Colombian Government that their commitment to counternarcotics would be judged on the basis of concrete achievements.

During mid-1995, the situation appeared to be improving. The Colombian national police arrested a number of the leading Cali kingpins and the country's top prosecutor launched a sweeping corruption investigation that has left no branch of government untouched.

These efforts have been undercut at every turn by a government and a legislature not only plagued by corruption but which are fostering corruption in order to protect themselves. The Cali traffickers have been running their operations from prison, and the Prosecutor General has been the target of a public campaign to undermine and discredit his efforts.

The U.S. Government did not prejudge the Samper Administration's effort on drugs, but neither could it ignore the facts at hand. The test of the law is whether the Government of Colombia is cooperating in the counter-drug struggle. In the President's judgment, there was insufficient cooperation.

Heroin use is on the rise in the United States. The President's recent determination on heroin trafficking and his decisions to deny certification to Burma, Afghanistan, Iran, Syria, and Nigeria reflect our growing concern with this problem.

Burma, which alone could satisfy much of the world's demand for heroin, increased its potential opium production by 16 percent in 1995, while allowing heroin trafficking to flourish. Despite a cease-fire agreement with the world's most important heroin warlord, Khun Sa, Burma's government, the SLORC, has shown no willingness to bring him to justice or to take effective action to suppress the heroin trade.

Therefore, the President has again denied Burma certification. He also denied certification to Afghanistan, the world's second largest opium producer. Afghanistan increased opium production by nearly 33 percent while doing little to stop trafficking.

Nigerian trafficking organizations are the leading couriers of Southeast Asian heroin and other hard drugs into the United States, accounting for an estimated nearly 40 percent of the heroin in the United States. Nigeria was once again denied certification; and because of their use as a major transshipment countries for heroin, Iran and Syria continue to be denied certification.

The President is reserving the option to invoke trade sanctions—in addition to those mandated by the Foreign Assistance Act—against the six countries denied certification. He is not invoking those additional optional sanctions at this time.

Pakistan remains a primary conduit for Afghan heroin and is also a major producer of heroin. This year, Pakistan was unable to sustain earlier efforts to stem the production and flow of heroin within its borders.

Pakistan began the year well by conducting a major opium eradication campaign, arresting key drug suspects and seizing some heroin. But it failed to follow through on some vital longer-term objectives. Pakistan made no progress in expanding its anti-narcotics force. Money laundering legislation has yet to be written, and the government has not implemented

as law its Comprehensive Drug Ordinance. We believe Pakistan can do better. Consequently, the President gave Pakistan a vital national interest certification.

The drug industry is powerful, but the collective political will of countries around the world to stop drug trafficking is more powerful. By effectively attacking all elements of the illegal trade in each country, including demand for drugs in the United States, we can cripple the drug traffickers.

The certification process was objective and careful. The President's decisions were made according to stringent standards. The drug issue remains an important part of our foreign policy and our bilateral relations, especially with the major drug producing and transit countries.

My message to countries that did not receive full certification is that this Administration is serious—very serious—about defeating the drug trade and expects the same commitment from them.

Just as we all suffer from the effects of drug trafficking and addiction, we also have it in our power to cut the drug trade down to size. But it requires a joint effort. The United States will continue counter-narcotics cooperation, but we cannot make real progress unless all major drug producing and transit countries do their utmost in those areas where they can be most effective.

Question: Mr. Ambassador, the State Department's report describes Mexico as one of the biggest problems—the biggest sources of drugs to the United States' market. Could you explain why the President decided as he did on Mexico?

Assistant Secretary Gelbard: We feel that Mexico has made substantial progress, has made marked progress, during 1995. President Zedillo has showed a strong and sustained commitment to fight drug trafficking. And, as I said earlier, the test of the law is whether the government is cooperating with the United States. We feel that the Government of Mexico is cooperating with the United States.

Clearly, much remains to be done. President Zedillo has declared drug trafficking to be the primary threat to Mexico's national security. He's acknowledged that corruption poses one of the most serious obstacles in combating it.

We feel, too, that a substantial amount of work needs to be done in ridding the Mexican law enforcement agencies of corruption—and there is a great deal of it—and Mexico needs to develop the institutional capabilities to have sustainable efforts against drug trafficking and success.

But the Mexican Government has made progress in many important ways. As you're aware, they captured Juan Garcia Abrego, who was on our "most wanted" list—the FBI's ten most-wanted list—and deported him to us very early this year, although based on efforts which had taken place during 1995. They also arrested Umberto Garcia Abrego, his brother—a very important drug trafficker.

They arrested Hector Luiz Palma, another major trafficker in the country. They have made substantial progress in the eradication of marijuana, eradicating 40 percent more acreage of narcotics crops in 1995 than in '94. This reversed the decline in both opium poppy and marijuana eradication.

We estimate that they reduced—this is our estimate—that they reduced marijuana production by more than one-third—from 5.5 metric tons in '94 to 3.6 metric tons in '95, and opium gum production by ten percent—from 60 metric tons to 53 metric tons.

Seizures of cocaine were slightly higher than in '94. Seizure of methamphetamines were up significantly, and nearly five metric tons of the principal chemical precursor ephedrine were seized. They have initiated a major reform of the leadership, organization and ethical standards of the Mexican system of justice, and we have received commitments from the Mexican Government, from Attorney General Lozano and Foreign Secretary Gurria that the Mexican Government intends to present legislation to their congress—this month, I believe—which would criminalize money laundering and take other kinds of steps to fight organized crime, equip authorities with modern investigative tools and control chemical precursors such as ephedrine, which I mentioned.

Additionally, they signed new agreements with the United States to combat money laundering and other financial crimes. So we feel that while there is a great deal that remains to be done, the cooperation between our governments unequivocally improved during '95, and it was on that basis the President made his decision.

Question: Ambassador, your report also says that money laundering has become a major problem in Mexico, and money laundering can't really survive without official corruption, right? I mean, aren't we very concerned that the level of corruption is rising?

Assistant Secretary Gelbard: I don't necessarily agree with your premise that money laundering cannot survive without official corruption. There are many countries where there is money laundering without official corruption. What is required is a strong legal framework to establish the right types of laws against money laundering. This is what the United States has shown leadership on, both in terms of the establishment of our own laws and in terms of what the President called for in his U.N. speech in October.

Within the hemisphere, we had a hemispheric money laundering conference in December in Buenos Aires, which was chaired by Secretary of the Treasury Rubin, and we have strongly encouraged Mexico to proceed to take strong legal measures to outlaw money laundering and to develop all the right kinds of legal mechanisms. They have committed to do so, and we expect that that will take place.

That being said, they recognize and we recognize, of course, that there is a serious problem with official corruption within Mexico, and we have seen them begin to take measures against this. We feel that President Zedillo and Attorney General Lozano are strongly committed to do this.

Question: Ambassador Gelbard, the Colombian Government maintains that they have met all of the requirements of the United States over this last year. You, yourself, enumerated a lot of the progress that they've made. Was the decision to go with a complete decertification as opposed to a national interest waiver, like last year, because of the political crisis in Colombia at the moment?

Assistant Secretary Gelbard: As I said in my statement, there has been some progress, particularly manifested in the arrest of some leaders of the Cali cartel during the course of 1995. However, it's also been clear that those very leaders of the Cali cartel are still the leaders. They continue to run their operations from prison, and they have been permitted to run their operations from prison. One of the most important leaders of the Cali cartel—Jose Santacruz Londono—was able to escape from prison very easily.

What has been clear is that there has been an undermining of the efforts by some brave individuals—particularly Prosecutor General Valdivieso; the commander of the national police, General Serrano, and others in the police, and others in the government and in the country—by the government. And we have seen repeated instances where the government has taken concerted efforts to try to undermine the efforts of the Prosecutor General, has cooperated with corrupt members of the congress in the introduction of amendments to legislation which would have effectively, if they had not been ultimately defeated, undercut and diluted important Colombian laws against drug trafficking.

We have seen repeated examples of this which demonstrated they were not fully cooperating. And, as I said, the test of the law is whether governments are cooperating. So while this was a difficult decision, the decision was a clear one.

Question: Were these countries apprised of their decertification before this briefing here? Has this been discussed at any kind of level with them?

Assistant Secretary Gelbard: Not to my knowledge.

Question: So they're learning about it, in theory, as we speak now.

Assistant Secretary Gelbard: As far as I know.

Question: As a result of this non-confident vote to the Colombian Government, do you expect President Samper to resign?

Assistant Secretary Gelbard: The issue of the political situation in Colombia is an issue that is an internal one in Colombia, and we leave the whole question of the future of the Government of Colombia to the Colombian people and Colombian institutions. We support fully, of course, the democratic process in Colombia, and I'm not even prepared to comment about the internal affairs of the entire Colombian process right now.

Question: Isn't it likely that General Serrano and the Prosecutor, Valdivieso, will be undercut by this decision?

Assistant Secretary Gelbard: We expect and hope to be able to continue all our counter-narcotics support for those in Colombia who are fighting against narcotics. It's a very difficult problem that we have been faced with and that the President has been faced with, but the President clearly felt that there comes a time when the lack of cooperation on the part of a government is such that such a difficult decision had to be made.

We obviously continue to fully support those in Colombia, as well as elsewhere, who are fighting against narcotics, and we hope to be able to continue to cooperate and support them fully.

Question: It's my understanding that decisions on decertification can be changed if during the course of the year there's evidence that a nation has taken effective steps. While you don't want to comment on the Colombian Government—the decision on the Colombian Government, who is the Colombian Government, to the Colombia itself—if the government were to change, would that influence the decision?

Assistant Secretary Gelbard: The law is actually very stringent but still quite clear as to how decisions made by the President can be changed, and there are ways in which the decision can be changed, although, as I say, it is difficult. So we'll have to see over the course of the year.

Question: You just said that the United States does not intend to interfere with Colombia's domestic affairs, but earlier you said that some Colombian officials—and I quote—"are fostering corruption to protect themselves." Could you comment on that?

Assistant Secretary Gelbard: We have been quite concerned—seriously concerned, as I said earlier—about corruption within Colombia's political institutions which have an effect on the United States. They have an effect on the United States insofar as they allow the flow of narcotics into the United States to be maintained or to increase.

They affect us when they result in American citizens dying; when they result in the addiction of American citizens. We are, of course, concerned about the need for strong democratic institutions throughout the hemisphere as well as throughout the world. But we are concerned specifically here about this issue insofar as it relates to the inability to have a strong counter-narcotics fight—an effective counter-narcotics fight in Colombia.

Question: How much—specifically, do you know how much Colombia will be hurt by this decision, and why wouldn't the President have used the additional sanctions he has at his disposal?

Assistant Secretary Gelbard: I'm not in a position right now to quantify this. We have examined this very, very carefully in the process of developing recommendations to the President. As I mentioned, under the law the mandatory sanctions include the fact that the United States is required to vote against countries which are decertified in most development banks. There are a couple of exceptions.

Question: Is that the only one . . . ?

Assistant Secretary Gelbard: I just don't know.

Question: What about the GSP?

Assistant Secretary Gelbard: As I say, we are obliged to cut off their access to the Export-Import Bank and OPIC lending, although I don't think insurance falls in that category.

On the issue of the trade sanctions, including the Andean Trade Preference Act, the President felt that for now, while keeping his options open for the future, those would not be touched. So the benefits that Colombian industry receives, including the flower exporters, remain through the Andean Trade Preference Act.

The imposition of such trade sanctions would be severe. They are not ruled out, but that is why we hope to be able to develop greater cooperation in the counter-narcotics process during the course of this year.

Question: Taking a look at the big picture for a second, I see that statistically coca cultivation is at the highest level—last year's highest level since '89. Coca production was its highest level since '92. Opium production, I guess, was about a record level. I guess you get a sense that whatever battles you think you're winning, you seem to be losing the war; that there's more and more out there, and invariably that means more and more to find its way into the U.S.

Assistant Secretary Gelbard: I don't think that's the case. I think 1995 has indeed been a year when there's been a significant change for the better. For example, the trend in Bolivia, where coca eradication had declined steadily from 1990, when it had been a peak of over

8,000 hectares eradicated through 1994 when only slightly over 1,000 were eradicated, changed dramatically; and in 1995, they eradicated 5,500.

There was a slight increase in the area under production, but leaf production, which is the most important indicator, declined 5.5 percent.

Colombia started a program of aerial eradication, but because of guerrilla actions in particular, the government was not able to get access to some areas. But the police showed real courage in their efforts at eradication, and Peru has now started an eradication program for the first time since 1989. So we see a real trend here.

The problem in opium, I think—opium poppy cultivation—really remains in two countries, and those are Burma and Afghanistan. Afghanistan, of course, is in the peculiar situation of having no effective central government. We have seen some progress, particularly in the Province of Nangarhar, where the governor is really trying to make some significant efforts, and we hope to work with him.

Burma remains a real problem, and there was significant increase. The SLORC—the State Law and Order Restoration Council, as they call themselves—has refused to engage in eradication, even in the areas under their own control. But we have seen, I think, some real steps forward in the neighboring states, including the establishment of new counter-narcotics cooperation with Vietnam, with Cambodia, significantly great progress with Thailand. For example, for the first time a real precedent, they extradited a Thai citizen—a very prominent politician.

So we really feel that there is some serious progress to be seen here.

Question: But so long as the supply is large and increasing, isn't it inevitable that you won't be able to deal with the supply on the streets in the U.S.?

Assistant Secretary Gelbard: We need to be dealing with it by attacking both supply and demand, and we feel that we're making good progress in doing both.

Question: You say you cannot comment on the political affairs in Colombia, but I wonder if you could tell us some of your opinion on the political affairs inside the U.S. regarding the fight that some people say because this is an election year, this could affect the decision, at least as far as Colombia is concerned?

Assistant Secretary Gelbard: I doubt very much that the political situation in the United States had any effect on the decisions that were involved. I don't believe they did.

Question: In your report, you say one of the new menaces are these synthetic drugs, amphetamines and such. Do you have any idea how much of that is produced domestically, and how much comes across the border?

Assistant Secretary Gelbard: I really don't. We have seen a great deal that's now being produced internationally. There has been some traditionally produced in the United States. There's a lot produced in Europe.

We are trying to work together with the Government of Mexico to go to the countries that are the manufacturers and exporters of ephedrine, in particular, to try to find much more effective ways on the part of the ephedrine manufacturing countries to block the illegal export of that chemical. That chemical is the key to solving that problem, and the Government of Mexico

and we have reached agreement on approaching these governments, particularly in Asia and Europe to try to stop this.

Question: To the extent that you cut off the international supply, to what extent do you think that domestic producers will fill the vacuum?

Assistant Secretary Gelbard: We have had, I think, a great deal of success in preventing ephedrine from coming into the United States. So at least as far as methamphetamine is concerned, there has been effective action taken in the United States to block this. There is limited production in the U.S., but we need to develop much better end use monitoring mechanisms to stop the flow of ephedrine for the production of methamphetamine.

Question: Mr. Ambassador, for the first time in your report, you mention about the Kurdish terrorist organization PKK is in the business of heroin production and also trafficking. How large is their operation? And also a second question is you mention also in your report that some Syrian officials in the Bekaa Valley, they're involved in this drug trafficking business. Do they have any connection with this organization—terror organization—because they're based in the Lebanon Bekaa Valley?

Assistant Secretary Gelbard: First, we are quite concerned about the involvement of the PKK in trafficking in heroin, and, as you're well aware, I have said that before in some previous years. But I think there has been some reliable information that has been developed over the course of this last year which really proves it.

Second, yes, we are concerned about activities in the Bekaa Valley involving drug trafficking. This is an issue that is discussed frequently between the United States and the Syrian Government, and between the United States and the Lebanese Government. I am unaware of any connections between the two.

Question: How about the money laundering business, because Turkey is (inaudible) on your money laundering countries.

Assistant Secretary Gelbard: We would hope to see in Turkey much strong mechanisms and laws put into place against money laundering, and that is an issue that the United States Government has addressed with the Government of Turkey and will be addressing further with the Turkish Government over the course of this year.

Question: Mr. Ambassador, while you say that you didn't think that the political situation in the U.S. now played any role in the certification process, what role do you see politics will play in Congress' review of the President's decision, particularly in the case of Mexico, which has attracted bipartisan opposition on the Hill, if you look at the D'Amato-Feinstein bill. Does this bode well for Congress approving in particular Mexico, or do you expect it will be a battle on the Hill?

Assistant Secretary Gelbard: First, I will repeat what I said earlier. Domestic politics had nothing to do with the decisions that were recommended and were made on certification.

On your question, as to what will happen on this in the Congress, I'll find out on Thursday when I testify.

Question: Mr. Secretary, with regard to consumption being up in this country, could you tell us specifically what the percentages are? What amount of dollars are flowing out of this country? And the issue raised by the Mexicans when Mr. Gurria was here—Mexican

journalists—was, “Why judge us? You’re sending a lot of dollars out. You’re buying a lot of our illicit product.? Could you address those issues?”

Assistant Secretary Gelbard: In answer to your first question, I represent the Department of State, and I deal in foreign affairs, so I recommend you might want to take that up with the new Drug Czar, for example, General McCaffrey.

The United States Government recognizes that we need to do much more in terms of the reduction of domestic demand on drugs. As Under Secretary Wirth said, we all strongly welcome General McCaffrey’s appointment and now rapid confirmation to be the new Director of ONDCP. And having worked with him myself for the last two years, I think this is an outstanding appointment.

This is clearly going to be the area of predominant emphasis on his part, as he has said. We need to do much more—much, much more—about this.

The problem is one, as I said earlier, that needs to be dealt with by both supply reduction and demand reduction. It is useless and sterile to get into the question of who is most responsible. There’s equal responsibility, as we have said on many, many occasions. But this is poison, and these are poisoning our children and our people, and we need to take action on it, particularly when there are governments which are not cooperating in the elimination of the manufacture and export of this poison.

Question: Secretary Gelbard, so now as we speak, the reports of an operation in Mexico to arrest two of the biggest drug traffickers, are these part of the requirements that the United States imposed to Mexico to get the certification? And could you tell us if Mexico expressly asked for the certification?

Assistant Secretary Gelbard: We haven’t imposed any requirements on Mexico. I’m delighted to hear that there are these operations. I know nothing about it or about them. The Mexican Government clearly recognizes that this represents—that the problem of drug trafficking and corruption represent, in the words of President Zedillo, the primary threat to Mexico and to Mexico’s national security. And Mexico has taken it on as its highest priority, I believe.

We have seen dramatic action, and I think the Mexican Government clearly recognizes that it needs to address this problem, both because of its own national security, but also because it is a good neighbor, and it is concerned about the export of drugs to its neighbor, the United States.

Question: In your Strategy Report, it says that, “No other country in the world poses more of an immediate narcotic threat to the United States than Mexico? If the United States is not going to decertify Mexico or take any action in the certification process, what else is it going to do to reduce this threat?”

Assistant Secretary Gelbard: First, we have been able, over the course of the last year—the first year of the Zedillo government—to enhance our bilateral cooperation significantly with the Mexican Government in many different ways.

We have had numerous contacts at all levels with the Mexican Government. We have a variety of working groups set up that look at the problem on both sides of the border, look for solutions on both sides of the border, and look for ways to increase the fluidity of finding

solutions in this way, and we have achieved results. We have clearly achieved the results. But, as I said earlier, much more still needs to be done.

Question: Mr. Ambassador, given that virtually all the U.S. aid to Colombia is anti-narcotics related aid and presumably won't be excluded by the decertification, can you tell us what impact this is going to have on Colombia, apart from the United States voting against it in the World Bank proceedings and the like?

Assistant Secretary Gelbard: In concrete terms, as I said earlier, as required by the law, we will not be able to continue lending through the Export-Import Bank, though the Overseas Private Investment Corporation except for insurance. We will vote against Colombia in most multilateral development banks. I think the exception in Colombia's case would be the International Finance Corporation.

But I have to say, I think there is, in particular, a real stigma attached to the very fact of decertification. The fact that, very sadly, Colombia has been singled out. There is potentially and possibly and theoretically the possibility that the President might decide at some point to choose some other options regarding possible trade sanctions which are available under the Trade Act of 1974.

Question: Some people have called Colombia a "narco democracy." If the democracy continues in a country where narcotics money controls or influences the electoral process and you find that elements of the army, controlled by General Serrano, have been, in fact, more responsive to controlling narcotics, would the United States prefer to see the military replace the democracy that is corrupt?

Assistant Secretary Gelbard: No. We prefer a democratic system under any circumstances. We always prefer a democratic system, but we would hope that the democratic process itself will continue to function correctly. By the way, General Serrano is the commander of the police, and we believe that General Serrano is a patriotic, honest, serious man who has achieved a great deal during his time as the commander of the Colombian police.

Question: Do you know offhand if Colombia is a heavy user of the InterAmerican Bank and the World Bank, and so forth?

Assistant Secretary Gelbard: Yes, they are.

Question: And a negative view is --

Assistant Secretary Gelbard: Colombia has a very strong, legitimate economy, in addition to a very strong illegitimate economy. They have had an extremely strong economic performance over the years. They are perhaps almost the only country I can think of in Latin America that has not rescheduled its debts. There has been strong foreign investment and domestic capital formation. The U.S. has significant investment in Colombia, too.

There is a great deal, I think, of borrowing through the World Bank, particularly through the IBRD part of the World Bank and through the InterAmerican Development Bank, as well as through the Export-Import Bank and through OPIC.

I'd like to emphasize the fact that the President has taken this decision, the seriousness of it is that it has the potential to affect American exports and American business because it's American goods and services which are financed through Ex-Im Bank, in particular. It's American investors which are supported by OPIC.

These issues were obviously weighed. But the very seriousness of this, I think, is emphasized by the fact that the President felt that the situation was so serious that he still took the decision he did.

Question: Is U.S. opposition in these banks tantamount to defeat of Colombian requests?

Assistant Secretary Gelbard: I don't think so. Certainly not in IBRD and in the ordinary capital part of the InterAmerican Development Bank. But I think the U.S. Government's position in this does have a great deal of weight.

Question: Mr. Ambassador, the language of the report on Mexico seems much tougher this year than last year. You say "it remains to be seen whether the government will follow through on the initiatives." Yet, the Mexican Government said last week that they don't recognize this process as legitimate. In fact, they rejected the process. How much was that a factor in writing both this report and in the decision?

Assistant Secretary Gelbard: I don't think it was a factor.

Question: Not a factor at all?

Assistant Secretary Gelbard: No, it wasn't a factor. Saying those kinds of things about our laws is interference in our internal affairs. I'm joking.

They have a right to say what they want, but we remain concerned, obviously, about the flow of drugs into our country. Other governments have an obligation under their commitments, their treaty commitments such as the 1988 Vienna Convention, the 1961 Single Convention, and other multilateral conventions and treaties to try to control, reduce, and ultimately eliminate the flow of drugs—specifically, producer and transit countries.

So we feel that the Mexican Government is a government that takes its commitment seriously, and we know they do. As I say, we have a very clear, open, and frank dialogue with the Mexican Government about these issues. But we also feel that with the advent of President Zedillo and his government, we have seen a significant increase and improvement in bilateral cooperation on these issues.

Question: So you don't think the language is tougher this year than last year?

Assistant Secretary Gelbard: I don't know. I don't remember. This has been written in a very objective way, discussed throughout the government, and we stand by what we say.

Question: Mr. Ambassador, you seem to indicate that the cooperation with the Colombian authorities will go on unabated in spite of the decertification.

Assistant Secretary Gelbard: We hope so.

Question: Whereas, earlier, the real argument presented by Administration officials was that they realized that decertification probably should occur but then it would affect certain channels of communication they have with Colombia which would be in danger. You indicate that this will not be seriously affected?

Assistant Secretary Gelbard: We hope it will continue in the ways in which it has functioned. As I said earlier, we feel that many, many hundreds—even thousands—of very brave Colombians have lost their lives because of their fight against narcotics over the years. But,

ultimately, it's for the government. The test of the law is whether there is cooperation on the part of the government.

We hope cooperation will not only continue but obviously improve. Cooperation has been extremely good with some individuals. It has not been good --it has been insufficient with the Government of Colombia because of the actions we have seen them take to try to undermine counter-narcotics efforts across the board.

Question: Mr. Ambassador, you mentioned that last year Colombia, Peru, and Bolivia shared the same list of countries which were waived decertification. This year, when Colombia was downgraded, Peru and Bolivia were upgraded.

My question specifically is about Peru. What led to this upgrade given that last year your comment about Peru's not being certified fully was because of the eradication process, the Peruvian Government had not undertaken.

This year, they have just begun something, as you mentioned, but there's no clear—there's nothing that Peru has to show on the eradication front. What has changed from last year to this year?

Assistant Secretary Gelbard: As you say, first, they have begun, for the first time since 1989, a concerted government policy to eradicate coca. We consider that to be extremely important. We have been encouraging the Fujimori Government to do this since President Fujimori took office. We have, in fact, supported the Peruvian Government with funds for alternative development programs to assist so that farmers can leave coca cultivation and seek other pursuits.

Meanwhile, however, the Peruvian Government has also actively worked in the law enforcement area. They have arrested, prosecuted, and convicted some major traffickers in Peru. They have been sentenced to what we would consider serious sentences, commensurate with their crimes. For example, Cachique-Rivera. They have interdicted major amounts of cocaine. Cocaine is now being manufactured in Peru for the first time, we've seen.

For example, if I remember correctly, they seized a shipment of over three tons that was leaving a Peruvian port on its way north. They seized an aircraft that originated in Bolivia on its way to Mexico with 4.2 tons of cocaine. They have continued to consolidate and have an effective policy of aerial interdiction in the central and northern part of the country. They have begun to establish a riverine program. They have fostered greater cooperation with Brazil, particularly because many of the drug aircraft swing out from Peru over Brazil on their north to Colombia. So we feel that on balance the Peruvian Government has made sufficient progress to be fully certified.