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DEPARTMENT OF STATE
WASHINGTON

15766

October 20, 1969

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MEMORANDUM FOR THE PRESIDENT

Subject: Request for a Recommendation
on the Heroin Problem

See 12-5 215
11-5

In response to your memorandum of September 22, 1969 and Dr. Kissinger's subsequent memorandum of September 29, we submit the enclosed paper which analyzes the heroin problem, informs you what has been done about it so far with respect to other countries and makes certain recommendations on further steps that should be considered by you and the Executive Branch.

As this preliminary analysis indicates, to achieve substantial progress in reaching a permanent solution of this highly complex problem will require not only coordinated efforts with a number of other countries but also parallel efforts within the United States. The program in the United States will involve increased surveillance and controls and, equally if not more importantly, a greatly expanded and coordinated program of rehabilitation for the approximately 100,000 or more addicts who will pose serious social and economic problems as their sources of supply are diminished and eliminated.

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Thus the interrelated international and national ramifications involve a number of agencies in the Executive Branch, including the Department of State, the Department of Justice, the Department of Health, Education and Welfare, and the Department of the Treasury.

The Secretary of State will intensify the diplomatic efforts outlined in the paper. However, we suggest that this memorandum be regarded as an initial presentation

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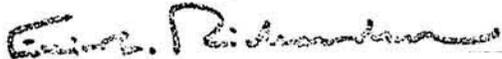
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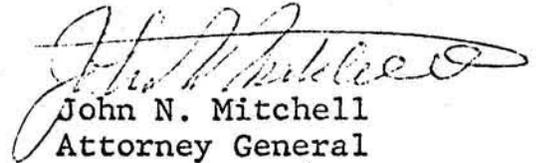
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and that a high level Task Force under White House direction be established to consider the problems in greater depth and to present to you a more refined, long range program, integrating both the international and the national aspects.



Elliot L. Richardson
Acting Secretary



John N. Mitchell
Attorney General

Enclosure:

Analysis of the Heroin Problem.

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I. THE HEROIN IMPORT PROBLEM

A. DIMENSIONS

Total U.S. annual consumption of heroin is 3 tons. All of it stems from illicit imports. Heroin is derived from raw opium (made from the milk of opium poppies) converted into morphine base and then into heroin. Under the 1961 Convention on Narcotic Drugs, seven countries are entitled legally to produce opium for their own consumption and for medicinal exports. These are Bulgaria, Greece, India, Pakistan, Turkey and the USSR.

B. SOURCES

Of the approximate 3,000 kilograms (3 tons) of heroin entering the United States annually, 80% is smuggled from France where it is clandestinely produced from opiates originating in Turkey. About 15% is smuggled from Mexico, illegally produced from illicit opium grown in that country. The remaining 5% of the heroin entering the United States is from Bangkok and Hong Kong, produced from illicit opium production in Burma, Laos, Thailand and the Yunnan Province of China.

1. Opium Production

Turkey: The source of 80% of opium production affecting the U.S. The Turkish Government has 160 agricultural technicians, 420 national police agents and 330 Jandarma Troopers (rural police) on active duty or in training for opium control. A part of Turkey's opium is legally produced, for medicinal purposes. It is controlled in quantity and province of production by annual decrees specifying where, and how much, opium may be produced.

The Government has reduced production from 21 provinces in 1967 to 11 in 1969, and is continuing reduction with a view to total elimination by 1972. As a part of this program a crop substitution program was instituted. In September 1968 an AID Project Loan Agreement was signed

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which provided about \$1.6 million for crop substitution, agricultural assistance in the way of scientific and experimental farm equipment, motor vehicles and communication equipment. A total of \$1.4 million was provided the Turkish National Police and Jandarma to equip their reorganized and revitalized narcotic suppression and eradication forces. This included vehicles, aircraft, weapons, communication equipment, etc. Training assistance in both agricultural and narcotic enforcement is being provided.

Mexico: The source of 15% of opium production affecting the U.S. All opium produced in Mexico is illegal. In addition, the bulk of the marijuana used in the U.S. originates in Mexico. There are upward of 250 Federal police permanently engaged in narcotics operation.

Thailand, Burma, Laos, and Yunnan Province of China: Heroin entering the U.S. produced from opiates originating in those territories is about 5% of the total. When the supply is ended from Turkey, Afghanistan and Mexico, those East Asian sources will pose a threat. Control measures now in effect in Thailand, Burma and Laos are negligible to non-existent; presumably production in Yunnan Province is illegal. There are no U.S. assistance programs in this area dealing with opium now in operation.

POTENTIAL SOURCES

Afghanistan: With the elimination of opium sources in Turkey by 1972, Afghanistan with substantial illegal opium production in remote tribal areas will pose a serious raw material threat.

Iran: This country ended opium production in 1959. In 1969 Iran resumed production of opium alleging that its citizens were the victims of Turkish and Afghan opium. If production in Turkey and Afghanistan is ended, Iran states it will again terminate all production. The United States is not now being affected by the production in Iran.

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Pakistan: Produces 10 tons of legal opium annually for domestic use. Illicit production in remote tribal areas could become troublesome, but not a great threat. It does not now affect the United States but could if other source areas are eliminated.

India: India is the largest opium producer in the legal export trade. However, controls are good and diversion is kept to a minimum. What does enter the illicit traffic apparently is consumed domestically in India by several hundred thousand opium addicts. This results in very little smuggling abroad of Indian opium. No country reports a problem with Indian opium. It is unlikely to become a problem for the United States.

2. Production of Morphine Base:

This intermediate product is with very little exception produced close to the growing areas. It is produced by means of simple, portable "stills" which reduce opium to 1/15 of its original volume and weight. Programs that address themselves to ending opium production would simultaneously be directed to suppressing morphine base production. Termination of illicit sources of opium would result in elimination of illicit morphine base production.

3. Production of Heroin:

Eighty percent of the heroin affecting the U.S. is produced in France, 15% in Mexico, and 5% in Hong Kong and Thailand. Programs in Turkey and the Middle East to end opium availability in the Mediterranean basin will be the only final solution to heroin production in France and other potential producers in Europe. Heroin production laboratories are somewhat more complex than morphine base "stills" but are nevertheless very simple and highly mobile. There are now 20 police agents assigned to suppression of heroin production in France; 100 are needed. Our narcotics agents cooperate closely and effectively with the existing French force.

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II. PRIORITIES FOR SUPPRESSION

A. OPIUM PRODUCING COUNTRIES:

1. Turkey and Mexico, which provide 95% of our problem, if properly motivated and provided with some technical assistance and training could stamp out illegal opium production within their borders. Afghanistan, Pakistan, Thailand, Laos and Burma have neither the incentive nor ability to reduce the present level of illicit opium production without U.S. or UN pressure and technical assistance. In the case of Thailand, Laos and Burma, the governments are so ineffective in the poppy growing regions that relatively little would be accomplished even with major U.S. assistance, which could cost about \$9 million.

2. While suppression of production in major producing countries would reduce production temporarily, the vast profits, and ease of production insure that it will be started up again elsewhere. It is therefore essential that pressure, surveillance and suppression programs must be universally and continually applied to all producers supplying the illicit traffic.

3. On the basis of the 1953 Opium Protocol and 1961 Single Narcotic Convention to which they are signatories, none of the countries now supplying the illicit opium market has grounds for refusal of United States Government technical assistance to end the situations within their territories. Programs tailored to their individual political, cultural and economic needs, if skillfully presented, will in all likelihood be accepted, although ability to execute in several cases will be poor to negligible. However, in the case of several Far Eastern countries, many government officials are involved in the traffic and may be expected to hamper suppression efforts.

B. COUNTRIES WHERE MORPHINE BASE IS REFINED:

The countries in this category are the same as Section A.

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C. COUNTRIES WHERE HEROIN IS REFINED:

A program in Mexico to end opium and cannabis (marijuana) cultivation would simultaneously cut off the 15% heroin imports originating in that country.

It is believed that France has the capability to provide necessary funds, manpower and some of the technical equipment to organize and implement an effective program to curtail the illicit heroin laboratories responsible for 80% of the U.S. heroin problem. Senior French Cabinet officers have recognized, however, that they are not at present operating at full effectiveness and have made it clear they are receptive to United States approaches.

Heroin is produced in Thailand and Hong Kong, the source of about 5% of the U.S. supply. Any program supported in Thailand by the U.S. to end opium production, for example by crop substitution, would also address itself to the immediate problem of heroin production in that country and could bring meaningful results in a short time. British authorities in Hong Kong confronted with an enormous problem of heroin production and use in Hong Kong manage to keep illicit export to the U.S. to a minimum. Should French sources be ended, Hong Kong could then pose a greater threat. However, should this begin to develop it is believed the British will counter it, and ask our help if needed. North Africa and Italy might also become main supply bases. Such a shift would take approximately six months. The underworld elements involved in the traffic would of course be alert to any local situation that looked attractive. It might well be possible to hamper and delay planned moves by aggressive surveillance on a country-by-country basis.

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III. ACTION PROGRAM TO ENSURE EFFECTIVE FOREIGN COOPERATION

A. PHASE 1. DIPLOMATIC NOTIFICATION:

The principal target nations, France, Turkey and Mexico, are already aware of our concern with the problem and the several measures which the United States has proposed be taken to control the traffic in heroin. Recommendations for the first steps to be taken with Thailand, Burma and Laos, as well as Afghanistan and Pakistan, follow. As explained below, Turkey has already received aid in this field and talks are well along with the French and the Mexicans. The first steps recommended for Thailand, Burma and Laos are designed to inform them of your deep concern with the problem, and set the stage for acceptance by them of technical assistance. The same approach is recommended for Afghanistan and Pakistan.

France

We shall continue to press the French to implement an immediate and effective heroin laboratory suppression program.

Following up on his earlier initiatives, Ambassador Shriver raised this general subject with Foreign Minister Schumann on October 6 to assure that your urgent interest in dealing with the heroin traffic is known to the French at the governmental level and not only to the French Central Narcotics Office. Schumann was sympathetic to our desire for a greatly increased French effort to detect illicit laboratories and said that he would discuss the matter personally with President Pompidou. Ambassador Shriver also approached Interior Minister Marcellin for the same purpose and found him equally cooperative.

Mr. John Ingersoll, Director of the BNDD will hold discussions with French narcotic officials in the United States this month and will visit France in November to press the French to agree to certain actions.

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Turkey

We shall press Turkey to end opium production entirely at the conclusion of the 1971 crop.

Turkey's role in opium production was raised most recently during Turkish Foreign Minister Caglayangil's meeting with Secretary Rogers in New York on September 27. The Foreign Minister stated that the Turkish eradication program begun in 1968 at our request "was going on as expected". We have explained the problem to the Turkish Ambassador, who discussed it with Turkish Finance Minister Bilgehan in early October during the latter's visit to the U.S. Further talks with the Turkish Government are obviously necessary.

Prime Minister Demirel, as head of the Justice Party, won the October 12 elections. He is now in a stronger position politically to handle the narcotics question. We propose the following courses of action:

1. Ambassador Handley will schedule a call on the Prime Minister before the end of October to express your personal concern about the heroin problem in the U.S. and to leave no doubt that the cutting off of the illegal supply from Turkey is a major factor for the U.S. in its relationship with Turkey. He will request that the Turkish Government announce in June 1970, by means of the annual decree on poppy cultivation, the termination of production after the 1971 crop is harvested.
2. Embassy Ankara will inform Turkish Foreign Ministry officials that narcotics will be a major subject for discussion when Prime Minister Demirel visits the U.S. in December.
3. During Demirel's visit, you will have the opportunity to emphasize to him the concern you attach to curbing traffic in heroin from abroad and make a personal request that the cultivation of poppies in Turkey be terminated with the 1971 crop.

Mexico

We shall press upon Mexico, probably at the October 27 meeting, a program of agricultural and narcotic enforcement

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assistance to eradicate opium and cannabis. There have been six meetings with the Mexican officials on the subject since 1961, the latest on October 7-10, 1969 in Washington. A major diplomatic initiative was the unilateral undertaking of "Operation Intercept" announced on September 27 to be in effect for an indefinite date. What was not announced was that the intensive stage was planned for approximately one month. Subsequently, upon request of the Mexicans, the U.S. Government agreed to supersede "Operation Intercept" with "Operation Cooperation" which involves (1) a U.S. pledge to modify procedures to facilitate travel, (2) a Mexican pledge to intensify immediately their enforcement efforts, and (3) agreement to resume talks on October 27 to discuss measures for enhanced cooperation.

Iran

We recommend that you discuss with the Shah of Iran during his October visit your concern over Iran's recent decision to start up opium production, after a 10-year period during which cultivation was illegal, and seek the Shah's agreement to reverse this decision. The current situation in Iran is linked by them with continued Turkish production.

Burma, Laos, Thailand

No diplomatic approach has been made, but will be made in the immediate future to make them aware of the problem, and to stimulate their acceptance of technical assistance. At an appropriate time, possibly shortly after diplomatic notification, we shall press upon them a program of technical assistance (law enforcement and crop substitution) to end illicit cultivation and traffic.

Afghanistan and Pakistan

Although Afghanistan and Pakistan do not currently pose any problem for us, a diplomatic approach will be made in the immediate future to inform them of our concern. These approaches will be designed to lay the groundwork for appropriate programs in Afghanistan and Pakistan.

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The UN

We plan to make our great concern about the problem known to the January 1970 meeting of the United Nations Commission on Narcotic Drugs. The Commission, which is an academic rather than an activist organization, deals with the problems of illicit traffic and is thoroughly familiar with the situation as it exists in the several countries. We will use the Narcotics Commission as a forum to urge the Turks to eliminate opium production, to encourage the French to take more positive action in reducing smuggling, and to press the Iranians to reverse their recent decision to start up opium production. We will also ensure that Laos, Burma and Thailand are invited to the January 1970 meeting where we will urge those three governments to take action as part of a world-wide effort to eliminate opium.

B. PHASE 2. TECHNICAL AND FINANCIAL ASSISTANCE:

France

United States officials have already discussed with French officials the need to expand the manpower effort of the French national police. The French Central Narcotics Office and the field forces are seriously undermanned. French border and port controls must also be expanded. It will be suggested that French national police and narcotic specialists be stationed both in Turkey and the United States. We will suggest the feasibility of subsidizing French informants for information leading to seizure of opium, morphine base, and heroin in France or destined for France. The French will be urged to accept U.S. technical assistance and the results of U.S. research efforts. They will also be urged to accept a U.S. offer to train police officers in the United States or send training teams to France since the French national police do not have a narcotic enforcement school of their own. The cost of these programs to the U.S. would be about \$500,000.

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Turkey

In September 1966 Ambassador Hart proposed to Prime Minister Demirel that, with AID assistance, the Turkish Government consider the immediate prohibition of poppy cultivation. Exchanges with the Turkish authorities continued until June 1967 when the Prime Minister informed the Ambassador of his reluctant conclusion that immediate total eradication was not politically feasible, but that Turkey would eradicate poppy cultivation over three to four years. A \$3 million AID loan to Turkey was negotiated in 1968 and signed on September 6 of that year, ostensibly to assist that country to control poppy cultivation, combat smuggling, and encourage farmers to switch to more productive crops, but with the confidential assurance of eradication over three to four years.

In June 1967, following the discussions with Ambassador Hart, the Turkish Government announced in its annual decree on the planting of poppy that three provinces would be taken out of cultivation in the 1967-1968 fall and spring planting season and that seven provinces would be eliminated the following year. Both in June 1968 and in June 1969, the Government publicly confirmed the previous schedule and announced the further reduction of two provinces in each year, with seven remaining by the spring of 1971. In accordance with Demirel's confidentially expressed intention to eliminate cultivation within four years, there would be no production after the summer harvest of 1971.

Mexico

The U.S. Government will encourage the Mexicans to improve their eradication, surveillance, enforcement and interception operations.

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Between 1961 and 1966 the United States Government made available technical assistance, as well as material in the form of helicopters, light aircraft and flame throwers to help with eradication/surveillance/interception. The Mexicans are willing to accept greater technical assistance and we are prepared to provide it. We estimate it will cost about \$1 million, and the program will probably be discussed at the October 27 meeting.

Burma, Laos, Thailand

It is proposed that a team of experts visit each country to determine what forms of technical assistance could be utilized and through what channels (bilateral or multilateral) it might be furnished. It is assumed that technical assistance would take the form of training officials and providing detection and enforcement equipment. We estimate that the three programs in the aggregate would cost about \$6 million.

C. PHASE 3 - SANCTIONS:

If the several governments refuse to cooperate, sanctions are available which could be applied if it were determined to be appropriate. The kind and degree of leverage available to us varies from case to case. Recommendations as to timing of application; and the correct degree of severity obviously hinge on the kind and extent of non-cooperation exhibited in each case.

(a) France:

The U.S. does not furnish any financial or military aid to France, and the balance of trade between us is heavily in our favor, so economic sanctions are not a realistic possibility. At this time the only step that could be taken would be to mount an "Operation Intercept". However, we do not consider this an

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effective means of control, given the many routes travellers to the United States can take from France. An "Intercept" is more likely to provide retaliation than the cooperation we seek.)

(b) Turkey:

We could fully or partially cut off (i) our military grant programs of \$100 million annually, (ii) our AID program of \$40 million annually, and (iii) PL 480 assistance which has been asked for in the amount of \$19 million.

The impact would be gradually felt, but its cumulative weight cannot be measured. Such sanctions could be easily applied by administrative action. There would be no dollar costs, but rather a financial savings. However, the foreign relations costs would be serious. Retaliation by the Turks could adversely affect our base rights, the use of Turkey as an electronic listening post into the USSR, and even continued effective Turkish membership in NATO. It might even adversely affect enlisting Turkish cooperation in morphine/heroin control and suppression.

(c) Mexico:

Mexico is cooperating, within its limited resources, and is ready to receive technical assistance. What is unknown is the degree to which this cooperation will be effective. If at any time it were decided to impose sanctions due to ineffective cooperation, it could be done on very short notice.

With no AID program, no military assistance and no major loan pending, the major United States leverage available would be slowing down or cutting off border commerce by another Operation Intercept. The impact would be swift and painful. Approximately \$500 million

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a year is spent on retail trade and short-term tourism along the border in Mexico by Americans. However, it would also be self-punishing; approximately \$750 million a year is spent along the border in the U.S. by Mexicans.

Application could be accomplished in a matter of days simply by shifting U.S. Government resources, most notably Customs Bureau personnel.

The cost to the U.S. of application would be within acceptable bounds and would consist mainly of U.S. Government salaries. The loss of "friendship" would be severe. Charges of "economic aggression" would also be made. There would be a loss of Mexican-American cooperation in many multilateral and bilateral, political and administrative contexts.

Prolongation of sanctions would probably force retaliation.

The most immediate Mexican retaliation would probably be to keep the border Mexicans out of the U.S. where they do their consumption shopping. Further retaliation could take some form of "punishment" against U.S. direct investment. There is \$1.5 - \$2 billion in American investment in Mexico.

The Mexicans might very well have non-rational violent reaction to unilateral prolonged application of sanctions and breaking of diplomatic relations could be a possibility.

(d) Laos:

We could fully or partially cut off (i) our military grant programs (\$150 million annually); (ii) our AID program (\$50 million annually); and decrease other types of assistance provided Laos. These measures

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would obviously weaken the already weak Laos Government and be contrary to our policy of assisting Laos in combatting North Vietnam attacks.

(e) Thailand:

We could fully or partially cut off (i) our military grant programs (\$60 million annually); (ii) our AID program (\$45 million annually); and decrease other types of assistance provided Thailand. Any of these measures would antagonize the Thai Government and possibly jeopardize our military presence in Thailand.

(f) Burma:

There is no economic leverage available to use in the case of Burma; our economic aid and military aid programs are completed and no new ones are in view. Burma's physically and politically isolated stance precludes any effective steps. We could break off diplomatic relations but this would not have much effect on Burma.

D. SUMMARY:

It will be evident from the foregoing that we expect highly cooperative efforts from Turkey, France and Mexico, and, if our programs are fully implemented, a major reduction in the import of illicit heroin.

It is also apparent that on balance we have minimum leverage on Turkey and France, with somewhat more available to us in the case of Mexico, in the somewhat unlikely event we find it necessary to apply it.

The Bureau of Narcotics and Dangerous Drugs (BNDD) estimates that reductions of the following order can be expected on full implementation of the diplomatic and technical

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assistance programs outlined above. Further reductions can be anticipated on implementation of the domestic program described later.

1st Year	10% - 20%
2nd Year	20% - 40%
5th Year	40% - 60%

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UNILATERAL ACTION PROGRAMS TO BOLSTER INTERNATIONAL EFFORTS

A. INCREASED CUSTOMS SURVEILLANCE

Increased internal narcotic enforcement concentrating on major narcotic violators, involving as many important narcotic arrests and seizures as possible plus follow up conspiracy prosecutions involving the organized crime groups, will demonstrate United States Government determination and effectiveness within its own territory. Increased Customs control at ports and borders will also demonstrate this.

B. BNDD estimates that in theory, if fully implemented, this program and the foreign programs described previously, should reduce the existing heroin supply in the United States by approximately 80% within five years.

C. PRE-EMPTIVE BUYING

Pre-emptive buying of opium for a one or two year period in order to reduce the supply of heroin as near to zero as possible is an additional measure that should be considered. It might prove to be feasible to buy up the world supply of opium from the growers for one, and perhaps two full years. It would require careful planning and the highest degree of secrecy to execute successfully. It would almost certainly be impossible to carry out such a program for more than two growing seasons since the necessary secrecy will be impossible to maintain beyond that period, if that long. Once the pre-emptive buying operation becomes known, it would serve as a stimulus to opium production.

Purchases could be made directly from the illegal poppy growers, using the same methods, and perhaps even the same agents, who presently buy the illegal opium from the growers.

The cost of buying up the world supply of opium at the source is, because of its clandestine nature, impossible to say with any accuracy, but could vary in the range of

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\$15 to \$25 million per year. The cost would be low because the "mark up" of what will ultimately be heroin has only begun with the poppy grower.

It is expected that there would be three important results from such a program: (1) heroin would be severely limited to addicts for one and perhaps two years and the cost would skyrocket, (2) those engaged in narcotics traffic would be forced to deal with new supply contacts and be more vulnerable to detection during the period; suppressive action should be especially successful, and (3) as the supply is cut off, addicts would be more receptive to rehabilitation and care. If on further study it does not appear feasible to mount a buying program for the total supply, it may nevertheless be an effective means to deal with particular sources of supply.

D. REHABILITATION OF ADDICTS

A major reduction of the illicit heroin trade would create the need for a massive program of treatment and rehabilitation for the approximately 100,000 heroin addicts in the U.S.

At the present, personnel and facilities to treat addicts on such a grand scale do not exist. It would probably require two years to plan such an operation, train the necessary personnel and prepare the facilities. To treat up to possibly 100,000 addicts simultaneously -- as would be necessary if we succeeded in cutting off all or most heroin -- would cost about \$11,600 for each addict for a 2½ year treatment period, although major cost reductions per addict would result from large scale treatment. In addition, part of the cost would be borne by state and local agencies

While the heroin addiction problem is too complex to permit of any optimistic conclusions, it is realistic to think of curing and rehabilitating about 50% of the addicts treated, especially if suppression of the trade is largely effective for a year or two after the first years of treatment.

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We recommend that the Secretary of Health, Education and Welfare be asked to undertake immediately a detailed study of such a project, looking to have it in operation in two years.

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