

Moscow's drug state: Laos

by Linda de Hoyos

On Feb. 12, Thai authorities seized 1,280 kilograms of heroin aboard a ship harbored at the Klong Toey Port of Bangkok. The heroin seized had an estimated street value of \$2.2 billion, making the haul the biggest drug bust in the world. Its destination was reportedly New York.

The magnitude of the bust highlights the fact that the Golden Triangle of Southeast Asia—Burma, Thailand, and Laos—continues to be a major supplier of drugs—heroin and marijuana—for the United States. Southeast Asia, it is estimated, supplies 20% of the U.S. heroin supply.

A government-sponsored drug eradication program has reduced Thailand's 1986-87 harvest from an estimated 4,000 hectares to 2,560 ha (6,400 acres,) or between 10 and 12 tons. But while opium production is at a low point in Thailand, drug production in Burma and Laos has risen by about 40%.

In Burma, opium production increased by 200 tons in 1987 to a total of 925-1,230 tons, despite government crackdowns. In 1986, Burmese opium production was 700-1,100 tons, according to a State Department study reported in the *Bangkok Nation* March 4. Burmese production remains under the control of separatist ethnic entities in areas not under government control.

The Kaysone connection

If Thailand has succeeded in vastly decreasing its share in the Golden Triangle drug nexus, the rising star on the block is the landlocked nation of Laos. Laos was known to be a point of drug production, with opium cultivated by its Meo and Hmong tribesmen, before the December 1975 takeover by the Pathet Lao. However, in 1976, the government of Prime Minister Kaysone Phomvihane legalized the growing of opium. In addition, purchases of opium were simultaneously restricted to the new government. Since then, the government has taken a sponsorship role in marijuana and opium production in Laos—"the Kaysone Connection."

In the early 1980s, opium production in Laos was estimated at 50 tons. The 1987 crop was estimated at 200 tons.

As reported in a lengthy article in the Feb. 8 *Bangkok Post* article by Allen Dawson, heroin and marijuana are believed to be the major sources of foreign exchange for the Laotian government. "With a half-billion-dollar foreign debt, Laos is rated by the U.N. as one of the ten poorest nations on earth," Dawson points out.

Who then reaps the benefit of the foreign exchange brought in? Surely one beneficiary is Moscow. Increasingly, since the 1979 Vietnamese invasion of Cambodia, Laos has become a direct tributary state of the Soviet Union, without a decreasing mediating role played by Vietnam. Approximately 1,000 Soviet advisers are operative in Laos. Vientiane—not Hanoi or Ho Chi Minh City—is headquarters for the Soviet KGB in Indochina.

There is little doubt of the direct government role in the Laotian drug trade. Dawson reports: "In 1976, Paris customs police arrested the brothers Hu Tien Sing and Hu Tien Phu, along with a Sino-Vietnamese man, Tran Van Minh. They were charged with heroin smuggling. All three carried Laotian diplomatic passports."

By the late 1970s, there were four heroin refineries in Vientiane. "One was the 555 cigarette factory, an industry under strict government control.

ing 10, Kilometer 6 on the road from Vientiane to the north—the compound run prior to the communist takeover by the U.S. Agency for International Development (AID). . . . Kaysone's house was close by. Only government people could enter the compound."

Under fire internationally, in 1979, Laos cleaned out its old drug machinery. In the meantime, Prime Minister Kaysone "has forged a new, more tightly controlled heroin ring that feeds opiates into the international marketplace. . . with the government actually running the ring and taking the profits," according to Dawson. Named as the linchpins of the operation were Khamphet Phangachak, a close adviser of Prime Minister Kaysone, and Trade and Industry Minister Maysouk Saysomphong. As Dawson reports:

"Khamphet has been described both as a confidential secretary to communist boss Kaysone and as a senior official at the Trade and Industry Ministry. . . . Investigators have found that he is a powerful man in Lao politics, both personally and politically." His role was given away in an interview by Boonlop Phonsena, a defector from a prominent pro-Communist Lao family, with the *Far Eastern Economic Review* in 1979. Said Boonlop, "This drug dealing is a secret. Only insiders really know about it. . . . [Khamphet] is appointed to buy and sell opium and heroin."

The Khun Sa connection

Since 1982, Laos has been locked in an unholy alliance with the biggest drug warlord of Asia, Khun Sa of Burma. "Khun Sa's major revenue source for years," reports Dawson, "has been accumulation and sale of No. 4 (pure white) heroin. The drug is manufactured by chemists—mostly from

Hong Kong—from opium purchased directly from mountain tribesmen and indirectly from them through the Burmese Communist Party.” Khun Sa controls 75% of all heroin produced in the Golden Triangle.

In 1982, Khun Sa was decisively driven out of Thailand by Thai military action. The territory controlled by Khun Sa abuts directly onto the Laotian province of Sayaboury. According to Dawson’s reports, the town of Ban Houei Sai in Laos, where the Mekong River separates Laos from Thailand has become the drug depot for Khun Sa in Laos. According to Dawson, Kaysone has given Khun Sa full rein over parts of Ban Houei Sai and the rural Sayaboury province. It is noteworthy that Sayaboury-Thai border was the site of the December-February fierce border fighting between Laos and Thailand this year.

Even this year, as Dawson reported Jan. 22, Khun Sa opened 10-12 new heroin refineries in Laos.

Laotian and Khun Sa opium finds its way onto the international markets through two routes. The first is through Cambodia then over to Vietnam to the port of Danang, where the heroin is refined at various islets near Hong Kong where acetic anhydride—a necessary ingredient of heroin refining—can be procured from China. Another route is down the Mekong River into Loei province, then through Prachin Buri and Chanthaburo the east coast of Thailand.

Laos cash crop: marijuana

“There is a Laos government agency in charge of the production and marketing of marijuana,” stated Thailand National Security Council chief Suwit Suchanukul July 7, 1987. “The government agency distributes the seeds and fertilizer, most of it purchased in Thailand,” he charged. Then the same government agency buys the marijuana back from the farmers and sells it. “They handle the complete cycle.”

This charge is corroborated by 1987 U.S. satellite pictures showing huge tracts of land in Laos under marijuana cultivation close to populous areas—and certainly not hidden from public view. Laos grows “some of the best marijuana in the world,” says a Thai official cited by Dawson. “The provinces of Vientiane, Khammouane, Savannakhet, and Sayaboury have been pinpointed as the major sources of the crop. All border Thailand.”

The “communist origin” of the crop has not hampered its delivery into the international market. The crop is smuggled into Thai criminal syndicates who take it out of Southeast Asia, or it is sometimes sent across the border with refugees. In the last year, three major shipments of marijuana seized by Thai police were traced back into Laos. There are also indications that U.S. criminal syndicates are directly involved in Laotian marijuana production. According to various sources, American syndicates bankroll the Thai farmers who sell the seed and fertilizer for the Laotian growers on the other side of the Mekong.

What the Tower Commission did not say

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