

Triangle has shifted. *To a large degree*, the traditional use of sea routes has been replaced by land routes from Burma through the P.R.C. to Hong Kong” (emphasis added)—although of course Mr. Anderson swallowed the Beijing line that in totalitarian China, there are no official sanctions for this route.

The DEA official on the scene, John Seaman, did, however, note that the Tiananmen Square massacre has to “some extent stymied our relationship with the P.R.C. as far as joint law enforcement efforts are concerned.”

Despite the evidence that the P.R.C. has become one of the major drug transshipment routes for the Golden Triangle, the Rangel delegation chose to single out Thailand as the target for U.S. pressure.

### China dope diplomacy

As it was during the Vietnam War, dope has become a key consideration in Beijing foreign policy. In the Golden Triangle, aside from its newly forged ties with Burma, Beijing has assiduously cultivated its relationship with Laos, despite the latter’s membership in the Soviet-dominated Indochina Federation.

Laos is expected to produce 300 tons of opium this year.

In October 1989, Laos’s Kaysone Phomvihane, chairman of the Council of Ministers, visited Beijing, the first time a Laotian leader had visited Beijing in 12 years. The primary item on the agenda in meetings between Kaysone and China Prime Minister Li Peng, was the Laotian economy, according to Beijing wire reports. The countries have signed accords to joint ventures and trade.

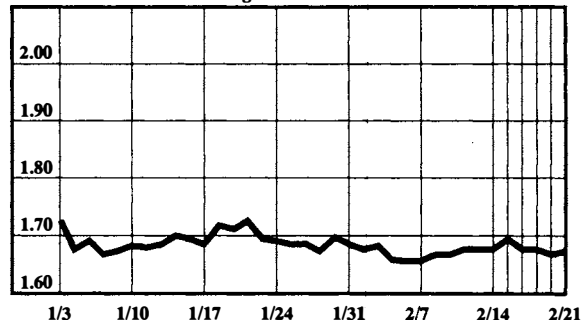
Laos and Beijing restored ties in November 1987, precisely at the time that the DEA and other Western agencies were putting Laos on the drug map on two counts. Laos has emerged in the last three years as a major producer of marijuana. In early 1988, Western agencies also collected reports that the Yunnan-Burmese drug lord Khun Sa was operating most of his heroin refineries in Laos, integrating both Laos and Yunnan-Burma operations of the Golden Triangle.

The Himalayan kingdom of Nepal is another target of Beijing’s dope diplomacy. Over the last two years, the Chinese have wormed their way back into Nepal, including providing arms for the Nepal regime, a circumstance which has led to tensions between Nepal and India. The Chinese are also supplying funds and labor for the completion of a highway connecting the Nepalese capital of Kathmandu to Lhasa, Tibet. Nepal is a notorious transshipment point for drugs to Western Europe. But in recent months, there are indications that Nepal may also be a point for dumping drugs onto the subcontinent. In Bangladesh, for example, where opium is not grown, an epidemic of opium and heroin addiction has been reported over the last year. According to reports in the Indian press, a phenomenal 10% of Bangladesh’s women are addicted to drugs.

## Currency Rates

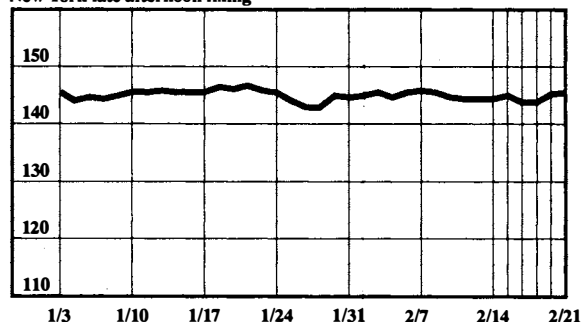
### The dollar in deutschemarks

New York late afternoon fixing



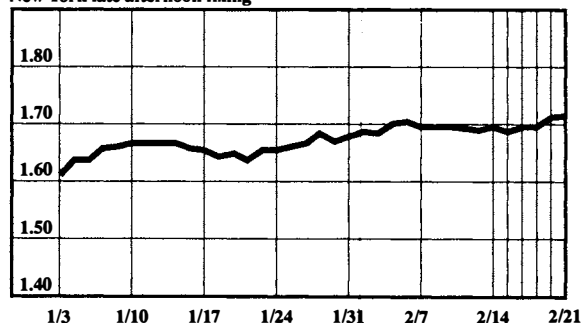
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

