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FM WASHINGTON
TO FCO DESKBY 260900Z
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OF 252236Z MAY 88
INFO PRIORITY TORONTO, PARIS, ROME, TOKYO, BONN

FCO TELNO 880: TORONTO ECONOMIC SUMMIT: US INITIATIVE ON DRUGS

1. THE BUREAU FOR INTERNATIONAL NARCOTICS MATTERS (INM) IN STATE DEPARTMENT CONFIRM THAT THEY ARE CURRENTLY WORKING ON DRUGS BRIEFING FOR THE PRESIDENT WHICH WILL FOCUS ON THE FOLLOWING THREE POINTS:-

- (A) INCREASING ANTI-NARCOTICS ASSISTANCE TO SOURCE COUNTRIES AS WELL AS MAKING LEVELS OF DEVELOPMENT ASSISTANCE DEPENDENT UPON THEIR PERFORMANCE IN CROP ERADICATION AND REDUCING THE OUTFLOW OF DRUGS:
- (B) ASKING CENTRAL BANKERS TO RE-THINK PRESENT CONTROLS NOT ONLY ON MONEY LAUNDERING BUT ALSO ON INTERNATIONAL MONEY FLOWS:
- (C) REQUESTING THAT THE EXPERT WORKING GROUP ON DRUGS BE RE-CONVENED. THE US WOULD LIKE TO SEE THE GROUP INVESTIGATE THE POSSIBILITY OF CONCERTED ACTION IN THE FOLLOWING AREAS:-
 - (I) UNIFORM EXPORT CONTROL MEASURES ON PRECURSOR CHEMICALS:
 - (II) CO-ORDINATION OF ANTI-NARCOTICS ASSISTANCE AND TRAINING PROGRAMMES,
 - (III) ANTI-NARCOTICS RESEARCH AND DEVELOPMENT.

2. INM UNDERSTAND THAT THE WHITE HOUSE HOPES THAT SOME OF THE ABOVE POINTS WILL BE INCLUDED IN THE FINAL COMMUNIQUE.

3. INM HAVE NO INTENTION OF RAISING THE QUESTION OF APPLYING CONOMIC SANCTIONS IN THE BRIEFING.

4. BRIEFS WILL BE FINALISED IN THE NEXT 24 HOURS AND AMERICAN EMBASSIES IN SUMMIT CAPITALS WILL THEN BE ASKED TO PASS DETAILS TO HOST GOVERNMENTS.

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