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TOKYO ECONOMIC SUMMIT: DRUGS

1. We do not expect a detailed exchange at Toronto on the American proposals for increased anti-drugs collaboration among Summit countries. The steering brief and separate background brief provide sufficient material for discussion in plenary on the general approach to tackling this issue, and on the main contentious points.

2. But I suppose it is just possible that the US might try to open up a more detailed exchange on their proposals. So I have prepared some notes which set out comments on the American paper. I attach a copy. The content of the notes has been cleared interdepartmentally.

3. I am only circulating this material to officials who might be called on to brief or comment on the issue at the Summit, and to others who have a direct interest in the subject. Copies therefore go to Sir G Littler, Sir R Braithwaite, Duncan Slater and to Peter Edwards at the Home Office.

Yours ever,
Tom

T L Richardson
Economic Relations Department

TORONTO ECONOMIC SUMMIT: DRUGS - NOTE ON US PROPOSALS

The Americans have made clear their objectives for discussion of drugs at Toronto, and also tabled proposals for follow up action. Both are set out in Annex 1. Comments on this paper follow.

US Objectives

1. American expectations about the content of possible communiqué language are overblown. There is no shopping list of recommendations for action in the Canadian final Thematic Paper section on Drugs (see Annex 2).
2. American objectives for improved anti-narcotics cooperation are laudable and acceptable.

Follow up Action

Organisational: we should resist separate detailed discussion of drugs by Foreign and Finance Ministers. It would be better to have one plenary debate with all present.

Detail: since we have already implemented many of the proposed measures (largely under the provisions of the Drug Trafficking Offences Act 1986, and via participation in various multilateral programmes) we should be able to give the US considerable support. But there are some difficulties:

- (a) Increasing anti-narcotics assistance/conditionality of development aid: the Americans are making their international aid increasingly conditional on narcotics cooperation. For the last two years the President has been required to certify to Congress that certain specified countries are cooperating satisfactorily in the fight against drugs. Failure to achieve certification means automatic penalties: reduction/suspension of all narcotics-related assistance and instructions to US representatives on international financial institutions such as the IMF or World Bank to vote against any loans to the offending

country. It is not clear whether the Americans are now proposing to make all development aid conditional on satisfactory cooperation. But the proposals sound very much like sanctions by another name: an approach with which we would have great difficulty. We have regularly resisted the politicisation of the Fund and Bank.

(b) **Use of forfeited funds to support anti-drug efforts:** this is the subject of inter-Ministerial exchanges. It would be therefore inappropriate to discuss this item at the Summit if at all possible.

(c) **Central banks should re-think their controls on money laundering and international money flows:** we do not believe that Central banks should have a policing role in connection with the laundering of drug money (not least because the Bank of England has no formal policing powers).

(d) **Uniform export control measures on precursor chemicals:** the UK has developed informal arrangements with other countries, particularly in Western Europe, for monitoring movements of precursor chemicals. The new draft UN Convention on Illicit Drug Trafficking envisages more detailed mandatory controls.

(e) **Coordination of Anti-Narcotics Assistance:** the Summit nations are all major donors to the UN Fund for Drug Abuse Control. The need for better coordination of assistance to drug producing and transit countries is recognised and is being tackled. In addition, the EC Commission has undertaken to collate and distribute information of its and Member States' overseas drug-related assistance.

(f) **Anti-Narcotics Research and Development:** US intentions are not clear. The United Nations makes research findings on drugs widely available. In Western Europe, there have been joint studies conducted under the auspices of the Council of Europe's Pompidou Group.

Communiqué Language

The only changes necessary are in the second paragraph. The wording needs changing to remove any suggestion of pre-judgment of the composition of the group. The first sentence should therefore be re-drafted to read "The Summit also could consider supporting an initiative of the Government of the United States to convene a special task force comprised of senior officials from Summit countries concerned with the fight against narcotics."

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ANNEX I

NARCOTICS ISSUES AT TORONTO SUMMIT

The following are U.S. narcotics control objectives for the Toronto Summit. The United States' expectation is that the Toronto Summit would incorporate a strong, well-focused, brief section on narcotics in the overall summit statement. We would expect that the heads of state and government would wish to:

- (A) Underscore the need for improved international cooperation on programs to counter all facets of the illicit drug problem: production, trafficking, marketing, financing and money laundering activities, precursor chemical controls, prevention, consumption, reserach, treatment and rehabilitation;
- (B) Make recommendations for unilateral, bilateral and multilateral actions; and
- (C) Reconvene the experts working group to consider, refine and propose methods of implementing these recommendations, with a report to the heads of state and government at the 1989 Economic Summit.

OUR OBJECTIVES ARE TO HAVE THE SUMMIT COUNTRIES IMPROVE THEIR COOPERATION ON ALL FACETS OF THE FIGHT AGAINST NARCOTICS, INCLUDING:

- Agreement that illicit narcotics trafficking poses grave risks to the national security and economies of member countries as well as to source and transit countries.
- Agreement that no country is solely responsible for the drug problem, or its solution, and that effective programs are needed in both supply and demand countries.
- Reaffirmed commitments to increased international cooperation to control illicit drug production, trafficking and consumption, and to prevent laundering of illicit drug proceeds.

THE FOLLOW-UP ACTIONS WE WOULD ENVISAGE SUMMIT COUNTRIES TAKING WOULD INCLUDE:

- Expanded support of multilateral programs, particularly the UN Fund for Drug Abuse Control, and increased participation by these countries in the programs and policies of the Fund;

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- Rapid adoption (during 1988) of the proposed International Convention of Drug Trafficking;
- Consideration of efforts to curb money laundering and money flow, including enactment of legislation that makes the laundering of illicit drug proceeds a (garbled in transmission);
- Enhanced, coordinated efforts to reduce demand; and
- Conditioning economic and development funds on narcotics performance;
- Governments should also seek collateral support using programs in areas such as health care, law enforcement, education and defense, as appropriate, to reinforce narcotics control efforts.

FOREIGN MINISTERS, IN THEIR SEPARATE SESSIONS, WOULD COVER THE POINTS ABOVE BUT COULD ALSO ADDRESS:

- Support for ongoing multilateral initiatives, including pledges of increased assistance to the UN Fund for Drug Abuse Control as part of overall support for the UN Commission on Narcotic Drugs (CND) and its constituent bodies (UNFDAC, INCB, DND
- Call upon the UN and other multilateral agencies to review related budgets to find ways to support narcotics control and drug abuse prevention programs.
- Express readiness to promote ratification of existing treaties and the new Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances,
- Discuss conditioning of donor assistance to narcotics producing countries, such as provisions prohibiting cultivation of illicit drugs in areas benefitting from donor assistance.

AT THEIR SEPARATE MEETINGS, FINANCE MINISTERS COULD:

- Explore ways to restrict the laundering and flow of drug profits through financial institutions in summit countries. This would include joint investigations, the exchange of information for use in proceedings, intelligence sharing; and liberalizing commercial and financial secrecy laws and blocking statutes;
- Explore ways to identify the sources, volumes and movements of drug money being transported into and out of summit countries,
- Encourage enactment of laws that make the laundering of illicit drug proceeds a criminal offense.

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- Encourage adoption of measures to provide for tracing, freezing, seizure and forfeiture of narcotics-related assets and proceeds.

Discussion should include use of asset forfeiture funds to support anti-drug efforts.

-- Suggest internal examination of national budgets to seek secondary forms of anti-drug support.

WE WOULD EXPECT THAT THE EXPERTS GROUP IN THEIR WORK WOULD CONSIDER:

-- Implementing specific domestic measures to reduce demand, and initiating public diplomacy programs;

-- Improving intelligence sharing in all areas of enforcement, investigation, prosecution and interdiction;

-- Increasing funding or other assistance to multilateral anti-drug organizations for both enforcement and development activities;

-- Conditioning economic and other assistance to source and transit countries on narcotics cooperation;

-- Improving cooperation among central banks and others to curb money laundering and money flow;

-- Adopting measures to provide for the tracing, freezing, seizure and forfeiture of narcotics-related assets and proceeds;

-- Achieving greater cooperation on international investigations, particularly those related to money laundering and money flow;

-- Adopting specific export and import control measures for precursor chemicals;

-- Developing plans for coordination of training assistance programs; and

-- Defining mechanisms to coordinate and share results of anti-drug research and technical development efforts.

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OTHER ISSUES

In addition to economic matters, the leaders have discussed other issues: --

ENVIRONMENT

1. Protection and enhancement of the environment is essential. The report of the World Commission on Environment and Development has stressed that environmental considerations must be integrated into all areas of economic policy-making if the globe is to continue to support humankind. Summit countries endorse its concept of sustainable development.
2. Threats to the environment recognize no boundaries. Their urgent nature requires strengthened international cooperation, not merely among the industrialized countries, but between East and West, and North and South. Significant progress has been achieved in a number of environmental areas. The Montreal Protocol on Substances that Deplete the Ozone Layer is a milestone. All countries should be encouraged to sign and ratify it. Completion of negotiations on a protocol on emissions of nitrogen oxides within the framework of the Geneva Convention on Long-range Transboundary Air Pollution is important. The efforts of UNEP for an agreement on the transfrontier shipment of hazardous wastes are welcome and encouraged.
3. Further action is needed. Global climate change, air and water pollution, hazardous substances, deforestation, and endangered species require priority attention. A worldwide consciousness must be developed and maintained to counter threats that diminish the heritage of humankind. In this connection, the Summit countries welcome the establishment of an intergovernmental panel on global climate change under the auspices of the UNEP and the WMO. The Summit welcomes the Conference on the Changing Atmosphere to be held in Toronto.

DRUGS

4. Illicit narcotics trafficking poses grave risks to the peoples of Summit countries as well as to the peoples of source and transit countries. There is an urgent need for improved international cooperation in all appropriate fora on programs to counter all facets of the illicit drug problem, in particular, production, trafficking, and financing of the drug trade. The complexity of the problem requires not only reinforcement of present efforts but also additional international approaches. In this respect, we look forward to the successful negotiation in Vienna in November of a United Nations Convention on illicit trafficking.

5. The Summit also could consider supporting an initiative of the Government of the United States to convene a special task force comprised of senior foreign affairs, enforcement, finance and other appropriate officials from Summit countries concerned with the fight against narcotics. This task force should propose methods of improving cooperation in all areas including national, bilateral and multilateral efforts.

HUMAN FRONTIER SCIENCE PROGRAM

6. We note the successful conclusion of Japan's feasibility study on the Human Frontier Program and are grateful for the opportunities our scientists were given to contribute to the study. We look forward to the Japanese government's proposal for the implementation of the program in the near future.

BIOETHICS

7. We note that, as part of the continuing review of the ethical implications of developments in the life sciences, the Italian government hosted the fifth conference on bioethics in April 1988 and welcome the intention of the European Community to host the sixth conference in the spring of 1989.

* French reserve