

eign exchange reserves of \$200-300 million and a GDP of \$1.460 million at the unofficial exchange rate, and \$26.953 billion at the official rate — 6 kyats to one US dollar).[15] According to the latest U.S. State Department, opium production has risen from 800 tons (in 1988) to 2,340 metric tons (nearly tripled) — enough opium to produce 230 tons of heroin and satisfy the U.S. heroin market many times over. There are few signs, the report observes, of improvement in the government's counter narcotics performance. Groups known to be involved in the heroin trade, such as the United Wa State Army and the Kokang militia, remain heavily armed and enjoy complete autonomy in their base areas. Moreover, Khun Sa, once labeled by the regime itself as the heroin lynchpin (who however "surrendered" in 1995) has not been prosecuted (nor extradited to the U.S., as the Americans hoped, perhaps even expected).[16] There is evidence of a reluctance, according to the U.S. State Department, on the regime's part to take effective action to suppress the heroin trade. The drug trade continues virtually unchecked. For example, in 1995, the regime managed to seize less than 100 kilograms of heroin and less than 1.1 metric tons of opium.[17]

Money laundering in Burma is also a growing problem and the laundering of drug profits have had widespread impact on the Burmese economy. The lack of enforcement against money laundering have created a business and investment environment conducive to the use of drug-related proceeds in legitimate commerce. The regime's business relationships with some of Burma's top narco-trafficking groups indicates that senior Burmese officials may be profiting from narcotics revenues. There are also persistent reports that lower level officials, particularly in the border regions, are involved in taking bribes in return for ignoring drug smuggling. The lack of a vigorous enforcement effort against money laundering leaves Burma vulnerable to the growing influence of traffickers who will use drug proceeds in legitimate business ventures, thereby gaining influence over investment and commercial activities, and perhaps even a stranglehold on the whole economy.[18] It is likely that these elements will come to gain inordinate influence over officials and power-holders, and thus, over the government or the state itself.[19]

The Down-Stream "War on Drugs": Vancouver and British Columbia

As seen from the case in Burma, the U.S. or U.S-led upstream "war against drug", has not produced the intended or hoped for result. The "war against drugs" down-stream too has not been successful. To illuminate the lack of success, and the complexity of the "war on drugs", an analysis of the "war" in Vancouver is presented below: Police officers involved in the drug war admit that efforts to stem the tide of heroin inflow is not working.[20] This is due, in their views, to a number of reasons. One reason is that there is not enough manpower to search even containers from suspected countries and cities. As such, only small quantities of heroin have been seized, and most of these are those seized from addicts and street pushers (most of whom are themselves addicts).

Officers in the RCMP and the City police admit that the "war on drugs" is complicated by the fact that they are able to take more or less effective action only against street pushers and small-time suppliers, and do not have the resource or manpower to investigate, arrest, and prosecute the big suppliers and financiers. In the words of a much decorated police officer, Gil Puder, wealthy traffickers are rarely caught; those arrested are street pushers-addicts and addicts (for possession of illegal drugs).[21] As a result, the war on drug has become distorted: the goal is no longer to eradicate drug trafficking, but to gain recommendation, bonuses, and promotion by arresting a high number of addicts and petty pushers, i.e., "arrest-maximizing" has become an end in itself.[22] The most problematic aspect of the "war on drugs" is, according to police officers engaged in the day-to-day war on drugs in Vancouver and adjacent municipalities, the involvement of seemingly "straight and respectable, law-abiding" elements as financiers of the drug (heroin) trade. Many drug-financiers are legitimate businessmen, live in the "high end" parts of town, and do not deal directly with drugs. According to these police officers, there has been an increase, in the past ten years, in the number of financiers-businessmen, especially within the Asian community. Some of those involved in the financial-business end of the drug trade are those who were already linked to Southeast Asian-Chinese heroin syndicates; while some