ing legislation, but requires reporting of cash transactions involving amounts over \$10,000.

The international consultative forum, the Dublin Group, has focused worldwide donor attention on the need for Brazil to pay greater attention to counternarcotics issues and urged the GOB to take more vigorous action against its growing drug problem. Newly-elected President Cardoso is expected to take such action to confront narcotics traffickers.

Brazil's former President Franco signed a decree increasing the DPF's licensing and oversight responsibility for chemicals. The DPF/DRE initiated a sea/airport security program, and continued to seize drugs by riverine and ground law enforcement methods. Brazil continues to plan for a radar system (SIVAM), financed by the Export-Import Bank, to detect narcotics trafficking aircraft in the Amazon.

## China

The Government of the People's Republic of China (PRC) is committed to combatting narcotics trafficking and use. China is a major transit route for heroin from neighboring Burma, Laos and Vietnam to the United States and other overseas markets. Drug addiction, which was effectively stamped out following the founding of the PRC in 1949, is once again on the rise. Thanks to China's expanding economy and increasing openness to the outside world, narcotics consumption within the PRC is growing. In addition, opportunities for investment in China provide greater potential for money laundering.

Chinese enforcement efforts continue to be vigorous and were stepped up in 1994. Strong laws based on a national directive issued in 1990 call for the death penalty for many drug-related crimes. Hundreds of drug criminals are executed in accordance with these laws annually. Narcotics trafficking in Yunnan province, which borders Burma, decreased in the latter part of 1994. The Chinese arrested major figures in two drug trafficking groups based in Burma, the Kokang and the Wa. Better surveillance of the Burmese border, improved intelligence work, and better control of precursor chemicals have also contributed to at least a temporary decrease in trafficking in Yunnan. PRC counternarcotics officials project no increase in national trafficking figures over 1993 levels. The PRC has taken a strong stand against official corruption, and has laws dealing specifically with government officials who are found guilty of the use, manufacture or delivery of narcotics.

The United States and China do not have a bilateral counternarcotics agreement in place. China has met, or is actively seeking to meet, the goals and objectives of the 1988 UN Convention, to which it is a party, by continuing its efforts to enhance law enforcement measures, public education, and international cooperation.

Illicit opium cultivation exists in remote, often roadless areas of Yunnan province and is suspected to exist in scattered pockets in other parts of China. The authorities are committed to eradicating opium cultivation when it is detected. Yunnan province cultivation is estimated at 1,965 hectares, capable of yielding approximately 25 metric tons of opium gum.

Impediments to bilateral cooperation remain. The Chinese frequently cite the 1993 U.S. court decision blocking the forced return to China of a Chinese drug trafficker ("goldfish case") as an obstacle to U.S.-China counternarcotics cooperation, but these same officials state that they would like to expand bilateral cooperation in the future.

## **Dominican Republic**

The United States Government and the Government of the Dominican Republic (GODR) maintained close, effective counternarcotics cooperation in 1994, despite tensions over the disputed Dominican presidential election and over Haiti. The Dominican Republic intensified its counternarcotics effort and improved interagency/inter-service cooperation under the leadership of the new director of the National Directorate of Drug Control (DNCD).