Excellencies, distinguished delegates, Ladies and Gentlemen,

I am pleased to present to you the annual report of the International Narcotics Control Board for 1998 contained in document E/INCB/1998/1. My short statement will focus on some of the highlights of that report. In line with article 12 of the 1988 Convention, I will also introduce the report of the Board on the control of precursors and chemicals needed in illicit drug manufacture. The Board also publishes technical reports on narcotic drugs and psychotropic substances which serve as indispensable background documentation for national regulatory authorities in charge of national and international control of these substances. Copies of all reports should have been received by your Governments.

Mr. Chairman,

The present annual report of the Board is the last to be published in this century. The Board therefore decided to look back to the beginning of the century and thus the beginning of international drug control and makes an assessment of achievements and remaining challenges.

The beginning of this twentieth century was characterized by the presence of heavy drug addiction in a few countries, particularly in Asia. In China alone, at least 25 percent of the male population were smoking opium and there were around 10 million opium addicts in a total estimated population of approximately 450 million. Opium-smoking was also widespread in south-east Asia, in some parts of India and west Asia and also appeared in a number of European countries. Opium, however, was not the only drug of choice at that time. Other narcotic drugs such as morphine, heroin or cocaine were freely available and consumed for non-medical purposes. About 90 per cent of narcotic drugs in the United States were used for non-medical purposes, according to a government report.

The situation was such that action had to be taken to limit the flow of drugs and the addiction epidemics which were spreading fast around the world. Therefore, the International Opium Commission met in Shanghai in 1909 to address this issue. That conference laid the foundation of the international drug control system that was to develop over the next ninety years -- a global control system based on international consensus. At its centre are three widely-accepted and widely-ratified international
treaties with comprehensive reporting and control mechanisms, and an independent international expert body which monitors and supervises the compliance of Governments with treaty obligations - the International Narcotics Control Board. The 90th anniversary of this first international conference on drug control which broke new ground should be duly celebrated.

The treaties and conscientious monitoring of their implementation by Governments has contributed to the success of international drug control. And the fact that international drug control has been a successful venture has not been emphasized enough. The Board appreciates the initiative of Mr. Arlacchi, the Executive Director of UNDCP, to make known to the public the success stories of drug control efforts. This will give a more balanced account of the achievements of drug control which have not received enough attention so far. One such accomplishment is, for example, that there is virtually no diversion of manufactured narcotic drugs and Schedule II psychotropic substances from the licit manufacture and international trade to the illicit traffic although the volume of manufacture and trade is considerable. The existence of the international drug control system has further prevented the recurrence of addiction epidemics which were commonplace at the beginning of the century. For even in the most severely affected countries today, the scale of the drug problem is much smaller than it was almost 100 years ago. The Board also acknowledges the major progress that has been achieved recently in the eradication of coca cultivation in Bolivia and Peru and is hopeful that similar progress can be made in reducing the demand for cocaine. Advances have also been made in the control of precursors and chemicals. I will comment on this in detail in my remarks on the Board's report on the implementation of article 12 of the 1988 Convention.

This is not to say that there are no challenges left. While at the beginning of the century drug control was a geographically contained phenomenon, it is today, unfortunately, a global scourge. No country today can seriously claim immunity from drug addiction or drug trafficking. This has to do with the expansion of international trade and communications and with the globalization of most aspects of economy and culture, a process which continues today. The speed at which society is changing, through technological advances, particularly in the area of communication, is mind-boggling. In the twenty-first century, the international community has to show that it can respond quickly to change and to challenges which may develop therefrom.

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Mr. Chairman,

The annual report of the Board also reviews the operation of the international drug control system. The Board uncovers weaknesses that exist in national control systems -- weaknesses, which, if not acted against, endanger the objectives of the international drug control system as a whole, particularly when important manufacturing or exporting countries are involved. The fact that our report points to shortcomings as well as achievements in the control system is one of its major strengths. Thus the Board stays
true to the monitoring mandate it has been entrusted with under the international drug control treaties. By reporting deficiencies in national control systems, it not only enables the Government concerned to take remedial action but also alerts other Governments to an issue which might become critical in their own national context. Moreover, the publication of such weaknesses in the Board's report can serve as a catalyst for the necessary action at the national level. It also shows which treaty provisions are working and where improvement is needed and this is essential in order to obtain a realistic account of the global drug situation. This balance of "good news" and "bad news" is essential for the critical yet objective reporting which the Board endeavours to achieve.

The missions undertaken by the Board are very important not only for identifying problems and the reasons for them, and the means by which they could be remedied but also to observe the strengths and good practices wherever they exist as examples of compliance with the Conventions. The current plan of missions for this year include both developing as well as industrialized countries such as Mauritania, Cameroon, Guatemala, France, Italy, the United Kingdom and Japan. This is in order to better assess drug control policy, strategy and practices across a broad spectrum of nations.

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Sometimes the Board is disappointed about the lack of progress achieved in some countries to implement certain provision of the international drug control treaties and about the failure of some Governments to take appropriate action in order to close the gaps in the international drug control system. Sometimes even a far-reaching and long-lasting dialogue between the Board and the countries concerned do not result in further progress. Therefore, for the first time, the Board had to invoke article 14 of the 1961 Convention and article 19 of the 1971 Convention with respect to a few countries, a measure which may ultimately lead to the call for an embargo on all imports and exports of controlled drugs from and to the country concerned.

The Board is confident that it will not be necessary to proceed to that stage, since all of these countries subsequently started to cooperate and presented a timeframe in which they will remedy the current unsatisfactory situation. For the time being, the Board has, therefore, decided to suspend the procedure set forth under those articles and has refrained from mentioning the countries involved in its annual report. To remind the governments of the implications and importance of article 14 and article 19 of the Conventions and more importantly the steps and procedures adopted by the Board to invoking them, they have been summarized in paragraphs 162-165 of the Annual Report.

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There are two areas where the international community must act. One is the issue of cannabis. For a number years, there has been a discussion on possible medical uses of cannabis in treating glaucoma, AIDS wasting syndrome and in alleviating side effects of cancer chemotherapy. Unfortunately, this issue has been handled on a rather anecdotal basis and, even more regrettably, the possible medical benefits of cannabis have been
seized by pro-legalization platforms as a justification for the legalization of all cannabis use or the "prescription" of cannabis under the guise of medical dispensation. The Board therefore encourages serious and scientific research on the medical properties of cannabis and wide dissemination of the results of such research. Any decision on the medical use of cannabis should be based on clear scientific and medical evidence and authorization of medical use of cannabis, and indeed, any other drug, should remain the responsibility of the competent national drug regulating authority and should not be decided by popular vote. Moreover, should the medical usefulness of cannabis be established, it will be a drug no different from most narcotic drugs and psychotropic substances. This means that cannabis used for medical purposes would be subject to licensing and other control measures foreseen under the international drug control treaties.

Measures are also necessary in order to minimize imbalances in the availability of drugs. While there are serious shortages of pain management drugs in developing countries, a number of psychotropic substances appear to be overprescribed in Europe and North America. There is an immense gap in the usage of morphine, codeine and other opioids to relieve pain. The per capita use of the top 20 consuming nations of those substances is more than NINETY TIMES higher than the per-capita consumption of the bottom 20 consumers. Governments must ensure the availability of such drugs for appropriate medical purposes. The high use of certain psychotropic substances in some countries in Europe and North America, on the other hand, may indicate overprescription and outright abuse within the legal framework. Benzodiazepines, for example, are used by as much as 10 per cent of the populations of some European countries. The Board encourages Governments to examine the prescription patterns for those drugs, together with the medical community and consumer protection groups, with a view to determining how much of these drugs are really needed for the treatment of medical conditions. The Board itself will address this issue in its report for 1999.

I would now like to turn to the Board's report on the implementation of article 12 of the 1988 Convention. Ten years after the adoption of the 1988 Convention, the Board felt that the time had come to initiate a general assessment of Governments' implementation of article 12 of that Convention and that assessment can be found in our report.

The Board was pleased to note that Governments are increasingly sharing and checking information on shipments of controlled chemicals to verify their legitimacy. A global communications network for precursor control has been developed to ensure timely information sharing. More and more national authorities are now routinely checking transactions before shipment. Exporting countries are sending regularly pre-export notices for scheduled substances to importing countries and importing countries are investigating suspicious shipments and providing essential feedback.

This has resulted in important successes. The number of chemical shipments that have been stopped or seized before they could reach clandestine laboratories has multiplied by a staggering amount and examples of our achievements are illustrated in the report. In their implementation of article 12 of the 1988 Convention, Governments have exceeded their own expectations. Ten years ago, it was generally not considered possible to control
many of the chemicals as effectively as they now are. Today, many national authorities prevent the diversion even of common chemicals with many legitimate uses that are traded in large quantities.

Nevertheless, we have to recognize that large quantities of chemicals still reach clandestine drug laboratories. In order to further limit the availability of chemicals to traffickers, existing systems must be fully utilized and strengthened by extending them to more countries, and to other chemicals, with modifications and adjustments as necessary. If this is not done, loopholes will develop which will quickly be exploited by traffickers. The report examines some of those loopholes, and other weaknesses in controls that may be used by traffickers.

Trade in precursor chemicals through Europe has been a concern. An analysis of diversions and attempted diversions has shown that Member States of the European Union are not always able to identify imports into their territories. This is due to the absence of tight import control and due to the fact that information of shipments of chemicals is not disseminated among EU member States as a matter of course. Consequently, some States are not in a position to monitor what happens to the consignments, or indeed, to prevent their possible diversion. The Board is pleased to note that the European Commission and individual member States of the European Union have recognized this problem and have confirmed their commitment to us to find a workable solution to strengthen already existing chemical controls in the region.

In this connection, I would like to emphasize the importance of pre-export notices as part of information exchange mechanisms. For quite some time, the Board has been urging Governments to send pre-export notices of some sort for Table I substances, and for acetic anhydride and potassium permanganate because of their critical importance in illicit manufacture of heroin and cocaine respectively. Unfortunately, even when countries have formally requested pre-export notices by invoking article 12, paragraph 10, of the 1988 Convention, they do not always receive such notices. At the same time, some exporting countries have advised the Board that, when they send pre-export notices, they do not always receive feedback from the importing countries. The Board would like to be informed of circumstances where pre-export notices are not received and, equally, where timely feedback is not given.

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As drug traffickers encounter more difficulties in procuring controlled chemicals, they have turned to the use of non-scheduled chemicals. Therefore, in response to an Economic and Social Council resolution, the Board established a limited international special surveillance list of non-scheduled substances at its November 1998 session. In addition, the Board formulated specific proposals for actions to be taken by national competent authorities, together with industry, with a view to preventing the diversion of substances included on the special surveillance list. The list together with the recommendations for action is being transmitted to all competent authorities identified by Governments and the Board would welcome feedback by Governments on experiences in
using this list. In order to ensure the effectiveness of such a list, which will be amended from time to time when circumstances require, the list has not been published by the Board. Authorities must exercise greatest caution in disseminating this list further at national levels.

Finally, I would like to refer to the Board's assessment of phenylpropanolamine for possible control under the 1988 Convention, as proposed by the Government of the United States. The Board has analyse all comments and supplementary information received from Governments and concluded that international control of phenylpropanolamine would limit its availability to traffickers and reduce the quantity of amphetamine manufactured illicitly. However, the Board has decided to defer its final recommendation to the Commission. This will enable us to study further, in cooperation with the World Health Organization, the possible impact of scheduling on the availability of phenylpropanolamine for medical use, particularly in countries that did not previously provide relevant data. The Board is in the process of contacting all Governments in this regard.

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Mr. Chairman,

In conclusion, the Board's annual report as well as its report on precursor control have highlighted the achievements of international drug control. From the reading of the Board's publications, it has become clear that the international community has come a long way during this century. Now we need to move towards the millennium with resolute determination to reinforce and strengthen the international consensus. Universal ratification and implementation of as well as compliance with, the international drug control treaties will be essential. We celebrate those who laid the foundation for our modern approaches and hope the world community of today will be judged in the same light in the future.