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# Cocaine A Trans-National Issue

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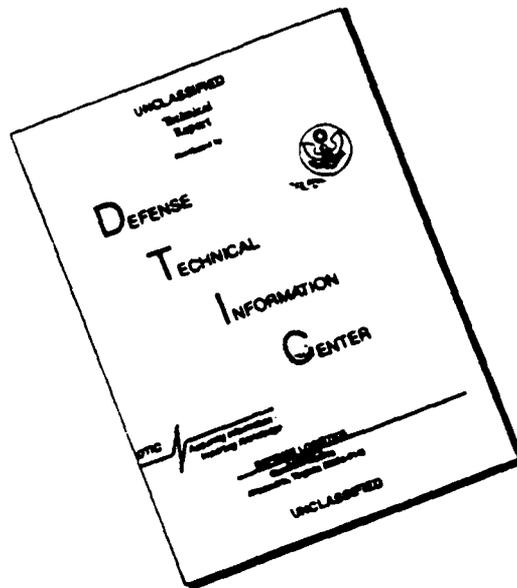
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ABSTRACT

During the last four years, the U.S. has spent some 38 billion dollars on drug treatment, education, interdiction, and assorted other counter-drug measures. Our sizeable investment notwithstanding, cocaine use continues to be one of the most intractable of our drug abuse problems. The U.S. strategy has been one of ever increasing expenditures on both the supply and demand sides of the drug equation, including use of the military. Progress, however, has been limited at best. As discussed in the following pages, the economics inherent in cocaine, not to mention the underlying and reinforcing social, political, and economic conditions of the three primary source countries (Colombia, Bolivia, and Peru) present obstacles far beyond the ability of the U.S. alone to overcome. In the last few years, there are signs that the cocaine epidemic is spreading to Europe, Japan, and other industrialized countries. The solution to this growing trans-national problem will ultimately require trans-national cooperation and resolve. The U.S. should play a leadership role in forging an international alliance to address this multi-faceted and complex issue. Only then, can we realistically hope to win the battle at home.

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Mr. Lalumiere is employed by the Defense Contract Management Command (DCMC) component of the Defense Logistics Agency, headquartered at Cameron Station, Alexandria, VA. The DCMC is responsible for contract administration services performed by Defense contractors across the U.S. and overseas. Prior to joining the Defense Logistics Agency, he worked for several years for the State of Massachusetts and for Sears Roebuck & Co. Mr. Lalumiere received a Bachelor of Science Degree from the University of Massachusetts and a Masters in Business Administration from Cleveland State University. He also holds a Masters in Counseling from Boston University. He is married and has three children.

The current War on Drugs is now 23 years old, if one considers the Nixon Administration's passage of the Comprehensive Drug Abuse and Control Act of 1970 as a stepping off point. In fact, one could go back to our role in sponsoring the Hague Opium Convention of 1912, passage of the Opium Poppy Act of 1942 or President Kennedy's White House Conference on Narcotics and Drug Abuse in 1962 to name a few earlier and noteworthy landmarks in the nation's efforts to control the sale and use of illicit drugs.

Without question, illegal drug use has national security implications. As described in the President's National Security Strategy Report of January 1993, "...it harms our society and degrades our economy, our competitiveness, and our international leadership as a champion of the rule of law." (White House, 1993, 18) This paper focuses more specifically on the nation's ongoing efforts to reduce cocaine trafficking and domestic use. At issue is the President's 1992 National Drug Control Strategy Report and whether changes are needed to successfully meet this growing trans-national problem. (White House, 1992) In reviewing the multiple social, economic, and political factors that must be weighed to properly assess our existing strategy and progress to date, the cocaine problem must be viewed not only from the perspective of the U.S., but also from that of the drug producing (source) countries. As pointed out in the following pages, a comprehensive and lasting solution to the cocaine problem will necessitate international recognition and involvement. Without such global involvement, the U.S. will likely become

more deeply immersed in a costly and perhaps interminable war on drugs.

Because most coca cultivation and processing originates in Latin America and in particular, Colombia, Bolivia, and Peru, some background on the internal politics and economies of these countries is needed. As will be seen, the coca industry is not merely the product of a few isolated cartels operating predominantly in Colombia. It permeates much of the social fabric of the lower socio-economic classes of these three primary source countries. More frightening, the enormous amount of money generated by the cultivation of coca and the processing, distribution, and sale of cocaine has attracted the interest of many other countries throughout Central and South America.

In their review of U.S. policy towards Latin America over the years, Slater and Black note that the U.S. has for the most part been less than a good neighbor (234-257). Even since the U.S. became strong enough to exert some geo-political influence in Central and South America, the pursuit of our interests has clearly superseded the long term interests of our southern neighbors. Ironically, the most repressive military regimes were often the most ardent supporters of our anti-communist policies during the Cold War. A preoccupation with keeping communism out of the southern hemisphere frequently led us to bolster the same military regimes that blocked much needed social and economic reforms. With an end to the Cold War, our concern over the spread of communism in Central and South America is now being replaced with concern over the growing drug trade in the region. Had U.S. policy been more evenhanded and supported needed reforms several decades ago, our current efforts in stemming the cocaine trade would be considerably less

costly. Our shift in policy emphasis comes at a time when the three target countries, Colombia, Bolivia, and Peru, are struggling with relatively weak democratic institutions and stuttering economies.

### COLOMBIA

Unlike many of its neighbors, Colombia has managed to avoid a succession of military coups. Its democratic government, principally monopolized by the Liberal and Conservative parties, however, tends to be oligarchic in nature, leaving little room for other party representation. This general failure to reach a status of true representative democracy has fueled a number of armed insurgencies that pose a continuing threat to peace and prosperity. As noted by Peter Andreas and Kenneth Sharpe (78), Colombia has the world's highest murder rate for a country not at war. The violence, on one hand, originates with several insurgency groups, most notably the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN). The second source of violence is the increasing frequency of narco-terrorism, as Colombia, with U.S. arm-twisting, takes on the Medellin and Cali cartels, and the many smaller drug producing and trafficking organizations within the country.

Economically, Colombia is larger and more diversified than either Peru or Bolivia, but it has serious obstacles yet to be overcome amidst the political turmoil. During the 80's, its economy grew at about 3.5 percent annually. (The Economist 41) Following a real GDP growth of 4.2 percent in 1990, growth in 1991 and 1992 has fallen off markedly. The forecasted GDP rate for 1992 is about 2 percent. (The Economist Intelligence Unit, Colombia 3)

Colombia's two principal exports, oil and coffee, were hurt by repeated guerrilla attacks on the country's oil pipelines and a decline in world coffee prices. This past November, for example, Colombia had expected to export 5 million barrels of oil. It reached only 10 percent of this goal. At one oil refinery the country was compelled to import crude oil just to keep it operational.

### PERU

In comparison to Colombia, Peru is in somewhat more difficult straits politically and economically. On April 5, 1992, President Fujimori dissolved Congress and assumed dictatorial powers in a last ditch effort to stave off overthrow of the government by Sendero Luminosa, one of two active guerrilla movements in the country. In September, the government captured Sendero's leader, Abimael Guzman, and some lessening of the political turmoil that has ravaged the country is now in the offing.

Fujimori assumed office in July of 1990, and was re-elected this past November. Prior to his taking office in 1990, the military had virtual control over a substantial portion of the country and had gained a reputation of numerous human rights abuses. A twelve year war with guerrilla factions had claimed some 20,000 lives and created over 200,000 internal refugees (Andreag, Sharpe 77). Between 1988 and 1991, economic output declined about one third. Fujimori immediately instituted measures to improve the economy and he succeeded in bringing down overall inflation, but not without social costs. With reduced government subsidies for food and other basics, the

prices of food and gasoline, for example, rose dramatically. According to Andreas and Sharpe, prior to Fujimori, some 20 percent of the population lived in poverty; with his economic shock program, fully 50 percent of the population now live in poverty (77). Peter Andreas and Humberto Campodonata highlight the collapse of the country's public health system (50). Millions of poor surrounding Lima suffer from disease, including cholera. The price of water has escalated to a point where thousands of the poor cannot even afford to bathe. Up to the recent capture of Guzman, Sendero Luminosa had begun to wage war in Lima. According to some reports, the increased violence caused many in the upper and middle classes to leave the country, and the term 'Lebanization' was coined to describe the possible future chaos if the government is unable to establish economic and social order.

Combating both political turmoil and economic blight has posed almost insurmountable obstacles, yet Fujimori is pushing on with an aggressive stabilization program. Employment fell by 5.3 percent from December to June of this year, and with about 500,000 young Peruvians entering the labor force each year, the short term employment picture is not good. Following negative real growth in GDP from 1987 to 1990, it rose by 2.2 percent in 1991. Growth in 1992 has been flat, but 1993 may show a recovery if economic controls are maintained. Like Bolivia, the military influence has waned in the last few years, but as Jose Garcia notes in his review of the two countries, should Fujimori fail in his attempt to address needed social and economic reforms, another military coup is likely (448-467). As emphasized by Garcia, Peru is '...fighting problems of a magnitude rarely encountered in recent Latin American history (466).'

## BOLIVIA

Bolivia seems to fall somewhere between Colombia and Peru in terms of economic and political stability. It lacks the extreme threat posed by an insurgency such as Sendero Luminosa, and does not suffer the extreme violence of the drug Mafia so entrenched in Colombia (Morales 353). Like its neighbors, though, Bolivia has significant social and economic challenges, and President Jaime Paz Zamora has continued a strict austerity program initiated by his predecessor Victor Paz Estenssoro. After declining in 1989 and 1990, real growth in GDP jumped to 4.1 percent in 1991. Growth fell somewhat off the 1991 pace in 1992, but is expected to pick up again in 1993 (Economic Intelligence Unit, Bolivia 21). Living standards have not appreciated significantly, and like Peru, Bolivia is aggressively seeking foreign investments to boost economic modernization and output. Bolivia's national debt now exceeds \$3 billion. Although progress has been made in reducing the debt (it was close to \$6 billion in 1987), the country has little to show for it in terms of a modernized infrastructure or social health and welfare.

Bolivia has seen a succession of military and civilian led governments over the years. Since gaining independence in 1825, Bolivia has experienced over 150 coups d'etat. As with other Latin American countries, the threat of military coup hangs heavy should civilian rule fall short of achieving its goals. Furthermore, Andreas and Campodonico note that U.S. support of the Bolivian military in the 50's and 60's through Military Assistance Programs has helped institutionalize the drug problem (42).

Military regimes looted the country during the 70's and 80's and encouraged coca cultivation and sale as a means to obtain wealth.

Against this brief country backdrop, the question arises as to why coca cultivation and cocaine processing are so prevalent in Colombia, Bolivia and Peru. First, one needs to consider the economic factors that drive this industry.

#### ECONOMIC FACTORS

A recent Brookings Institution review of world-wide drug abuse compared drug trafficking to a form of commodities trade (Flynn 9). Indeed, the production and sale of cocaine is a multi-billion dollar business. The huge profits that can be made in the cocaine trade are readily apparent when one considers that a kilogram of cocaine in Colombia might run from one to three thousand dollars and fetch anywhere from eleven to forty thousand dollars retail in the U.S (National Narcotics Intelligence Consumers Committee 6). Given this profit potential, it is no wonder that attempts to overcome the problem are met head on by interest groups that include not only the peasant farmers, but highly integrated organizations that permeate local and federal government and enforcement agencies in the Latin American countries.

About 90 percent of the world's supply of coca is cultivated in Peru and Bolivia. Coca has been cultivated and used by the Indians of the Andean highlands as a mild stimulant for centuries. The Upper Huallaga Valley of Peru and the Chapare region of Bolivia are the principal centers of

cultivation. While there is a deep seated cultural foundation for the cultivation and use of coca, the market for cocaine that exploded in the U.S. during the 70's and 80's created a mega industry. Coca is a fairly rugged and undemanding plant, and while most drug money does not find its way down to the poor Peruvian and Bolivian farmers, the value of coca leaf far exceeds what peasant farmers would otherwise receive for legitimate crops. Further, it offers employment in countries where opportunities are severely limited. In a review of the economics from the farmers' perspective, Rensselaer Lee found that one hectare of coca leaf cultivated by a Peruvian farmer would net ten times the earnings of a hectare of cacao and ninety-one times the earnings of a hectare of rice (The White Labrinth 26,27). In Bolivia, he notes, a hectare of coca was found to be nineteen times as profitable as a hectare of citrus fruit (27). Further, coca is more enticing, as the plant yields, on average, four harvests per year and can be harvested within eighteen months of initial planting. Some other crops, such as tea and coffee, require four or more years from initial planting to the first harvest (The White Labrinth 27). In a desperate attempt to cope with the growing coca market, Bolivia suggested the export of mate de coca, a beverage derived from coca leaf and consumed in both Bolivia and Peru as a herbal medicine. A Vienna Convention on the legal export of intoxicants has, however, ruled against this proposal (Economic Intelligence Unit, Bolivia 30).

Lee notes that much of the coca cultivated in Peru is grown on steep slopes where other crops would not thrive (The White Labrinth 27-29). Further, he points out that coca can be grown in soil that is both acidic and low in chemical nutrients, conditions unfavorable to such crops as citrus

fruits and rice. Both in Bolivia and Peru, coca cultivation is frequently conducted miles from population centers and highway road systems. One of the criticisms of U.S. promoted crop eradication programs, is that in order to promote alternative crops, roads would need to be built deep into the countryside so that they could be used to transport crops to domestic and foreign markets. Without crops that could compete from a profit standpoint, however, some argue that the new roads would only facilitate the transport of coca leaves. Lee acknowledges that there are suitable soil and climatic conditions for alternative crops in some existing coca areas as well as other geographical areas of Colombia, Bolivia, and Peru. Full eradication of coca, though, would require some substantial relocation of farmers to areas more hospitable to the cultivation of legal crops (The White Labrinth 29).

According to Andreas and Campodonico, a former Bolivian finance minister estimated that the 500,000 Bolivians involved in the cocaine business create another 300,000 jobs from the economic activities generated by their substantial earnings (41). With a population of just over 7 million, assuming 20 percent of the population is employed, then 50 percent or more of those employed in Bolivia benefit to some degree from coca cultivation. Jaime Paz Zamora has compared the impact on employment in Bolivia from totally eradicating cocaine, to that of laying off 50 million workers in the U.S (Andreas & Campodonico). As Zamora and his predecessor, Entenssorc, instituted tight fiscal policies to combat inflation, stabilize the economy, and attract foreign investment, there were massive layoffs in the public sector and closings of unprofitable tin mines. Many consider coca cultivation to be one of the principal ways that the country has been able to weather the

financial storm.

Coca and cocaine sales add foreign exchange to weak Latin American economies, in addition to being a source of employment. According to Lee, Bolivia's official reserves climbed from \$144.4 million in 1985 to \$252.1 million in 1986, principally due to the influx of drug monies (The White Labrinth 37). In their review of the economic consequences of coca cultivation in Bolivia, Mario DeFranco and Ricardo Godoy point to the complex interrelationships between coca and the country's economic, political, and judicial systems (378). Noting the distinct economic benefits (during the period 1987 to 1989, the dollar value of cocaine exports rivalled the value of all legal Bolivian exports), they highlight the increasing drug addiction problem in the country and the decline in self-sufficiency in food production as key problems. They also point to the so called Dutch Disease phenomenon, where coca and cocaine assume such economic importance that other, legitimate industries suffer (377). As the domestic currency appreciates through the export of coca and cocaine, imports rise faster than exports. Using an economic model, DeFranco and Dodoy found that a 10 percent rise in coca production and sales could conceivably raise Bolivia's GDP by 2 percent and lower unemployment by 6 percent (390). Similar economic effects are likely pertinent in Colombia and Peru.

Peru has a significant unemployment problem, and it is estimated that coca cultivation employs a quarter of a million farmers and peasants, excluding their families. The value of coca production has been estimated to equal the combined value of all other agricultural output (Andreas &

Campodonico 47). Peru's total legal exports amounted to \$3.3 billion in 1991 and the Peruvian drug trade is estimated to have drawn between \$750 million and \$1.5 billion into the economy. U.S. dollars are so important to Peru, that in 1988 the government discontinued its policies designed to differentiate legal and illegal sources of money (Andreas & Campodonico 51). Today, Peruvian banks are not questioning the source of deposits; all deposits are welcome. Despite the need for foreign investment, Phillip Mauceri reports that Peru was rated as the world's riskiest country for investments in 1991 due to widespread domestic violence (85). A recent economic report on Peru found that coca cultivation continues to displace the cultivation of other crops, such as coffee, rice, and corn. In the last ten years, coca cultivation has increased almost threefold, partly due to worldwide overproduction of coffee. Like Bolivia and Colombia, the country faces significant debt problems. But, according to Andreas and Campodonico, too much international attention is being focused on demanding economic stabilization and debt repayment, and too little attention on the relationship between coca and the economy and, more importantly, the relationship between coca and poverty (52). There is little choice for a Peruvian farmer. If he can make \$13 a day harvesting coca as opposed to \$3.30 a day harvesting other crops, he will harvest coca.

In Colombia, there is much less harvesting of coca relative to Peru and Bolivia, but this country is the principal processor of cocaine base. According to the July 1992 report of the National Narcotics Intelligence Consumers Committee, over 150 Colombian trafficking organizations were in operation during 1991 (18). Some 300,000 Colombians are estimated to be

employed either directly or indirectly in coca cultivation and cocaine processing. Colombia, unlike Peru and Bolivia, has done a much better job in managing its debt, never having to reschedule its debt payment, and Andreas and Campodonico attribute the influx of drug monies into the country as a primary factor contributing to its favorable credit rating (53). The importance of drug money to Colombia's economy was highlighted in a March 1992 International Narcotics Control Strategy Report issued by the State Department. It is noted in the report that despite the country's stated commitment to fight cocaine trafficking, new fiscal policies introduced by Columbia in 1991 have "...apparently allowed more narcotics proceeds to flow into the country (104)." Lee notes that while the Colombian police and military occasionally crack down on the traffickers, they unofficially welcome the money (The White Labrinth 15). Recently, Colombia has assumed a much more aggressive stance towards the cocaine trade, but as discussed in more depth later, this has spurred increased levels of violence and destruction that threaten the country's democratic institutions. As summarized by Lee, attempting to curtail cocaine use does not make a lot of sense economically to many Colombians ("Making the Most of Colombia's Drug Negotiations," 237). The national growth rate is declining and the internal cost of fighting cocaine trafficking is estimated to be as high as \$2 billion annually. With tourism suffering because of the violence, the employment and financial cushion provided by drug monies becomes more attractive.

In short, the economic impact and importance to the economies of Colombia, Bolivia, and Peru are significant and well entrenched. Further complicating a solution to the illegal export of cocaine are political and

social factors.

#### POLITICAL AND SOCIAL FACTORS

As noted earlier, Colombia, Bolivia, and Peru have fragile democratic, as well as economic institutions. The governments of Colombia and Peru are battling insurgency groups simultaneously with their efforts to curb coca cultivation and cocaine trafficking. These dual front wars have severely taxed the ability of Colombia and Peru to make significant progress on the coca front.

In Peru, the Sendero Luminosa has been compared by some to Pol Pot's Khmer Rouge (Harvey 163). This fanatic and violent guerrilla movement has shown little inclination to negotiate with the government, remaining fully committed to installing marxist oriented rule. In its twelve year operation, it is estimated that Sendero has caused the death of some 20,000 Peruvians (Harvey 166). In his review of the organization, Thomas Harvey attributes much of Sendero's strength to its success in garnering support from the Peruvian Indians, a segment comprising close to one half of the country's population. The Indians have long been ignored and even suppressed by successive governments, making them ideal candidates for recruitment in subversive movements.

Further complicating any decisive action against Sendero has been the government's wariness of the military and fear that the military, given too much power, might undermine the existing, albeit weak democracy. According to

Mauceri, in his review of military politics in Peru, the military has gained considerable independence and is unaccountable to the civilian government for many of its counter guerrilla actions (83). Controlling the military is a major problem for the Fujimori government. On the one hand, democratic rule is threatened by Sendero Luminosa, and other insurgency groups such as the Movimiento Revolucionario Tupac Amaru (MRTA), and a strong military is needed as a counter-insurgency force. On the other hand, should the military become too involved politically, the very institution Fujimori is trying to protect may itself be threatened.

Corruption, long a problem in Columbia and Bolivia, is also a problem in Peru. As noted by Mauceri, the military has not escaped Peru's economic problems(100). Discontent over salaries has resulted in resignations from general officer to draftee ranks. In 1991, the salary of a general officer was \$210 a month, and the salary of a draftee was \$20 a month. The low salaries are seen as a major cause of rising corruption, some of which involves payoffs from drug traffickers in exchange for protection.

In short, Peru faces multiple social and political challenges. As cited by Lee, a Peruvian General commented, 'We have to have popular support to fight terrorism - we have to be a friend of the population, and you can't do that by eradicating coca (The White Labrinth 16).' Despite the best of U.S. intentions, efforts to support coca eradication in Peru will be a long and frustrating affair. Mauceri found that much of the U.S. military assistance dollars extended to Peru as part of the drug war, are being used by Peru to fight insurgency groups. While one might question Peruvian ethics, certainly

one cannot argue Peruvian logic in this regard.

Colombia also has insurgency groups to contend with, in addition to coca cultivation and cocaine trafficking. Perhaps the most notable feature of Colombia's political and social profile is its history of violence. Today, the FARC and the ELN continue terrorist attacks against the Gaviria Government. As viewed by Cynthia Watson in her study of Colombian guerrilla groups, while the present government is not unpopular and is pursuing widespread reforms, the guerrillas are unwilling to compromise their revolutionary ideologies (98). The violence caused by the guerrillas has been further magnified by narco-terrorism. While equally violent, however, the Medellin, Cali and other cartels in Colombia seem less interested in effecting political change. They are more interested in protecting their cocaine businesses. As noted by Lee, "...cocaine traffickers -if not exactly pillars of society -are conservative if not atavistic in their political thinking (The White Labrinth 116)." However, unlike the Sendero operation in Peru, that for the most part shuns cocaine use, the FARC not only obtains needed financing from taxing coca farmers and traffickers, it actually manages some coca processing facilities. The more active involvement of guerrilla organizations in the cocaine business has led some to conclude there is an actual alliance between the guerrillas and the cartel owners in Colombia. Lee, however, finds such conclusions tentative at best. In any event, the combined violence of the guerrillas and cocaine traffickers places a severe burden on the government.

Lee cites the opposing ends sought by the guerrillas who seek to

overthrow the government, and the traffickers who simply want to be left alone. Pablo Escobar, notorious Colombian trafficker now in hiding is quoted as saying, "You can accuse me of being a narcotics dealer, but to say that I'm in league with the guerrillas, well, that really hurts my personal dignity (The White Labrinth 156)." There is no question, however, that both organizations have built powerful followings. The narco-dollars are welcomed by the poor peasants, and the guerrillas find willing recruits among the poor.

There is one noteworthy distinction from a political and social perspective that separates Colombia from Bolivia and Peru in the cultivation of coca. Unlike Peru and Bolivia, coca cultivation is not deeply rooted in Colombian society. In Peru and Bolivia, there are strong coca lobbies comprised not only of peasant farmers, but intellectuals in the government and military. Although efforts to curtail the illegal market continue, Lee emphasizes that it will be difficult to separate the legal from the illegal markets. In Colombia, this issue is not so salient, as most coca cultivation and cocaine processing carry less social legitimacy.

Bolivia lacks the constant threat of guerrilla opposition, but it nevertheless has a well entrenched coca industry and national lobby. The National Coca Producers Association and the National Coordinating Committee of Coca Producers form powerful constituencies. Lee notes that Bolivian coca growers have the support of the 1.3 million member Congress of Bolivian Workers and the 1 million member Confederation of Bolivian Peasant Workers (The White Labrinth 64). Efforts on the part of the government to stem coca cultivation through eradication programs run up against these powerful

lobbies. As pointed out by Morales in his review of the Bolivian drug war, the increasing involvement of the military, backed by the U.S., in fighting illegal drug trade might also spur the development of guerrilla insurgency groups to protect the peasant farmer from further abuse and denial of a means of subsistence (353). As it is, malnutrition of children five years of age and under runs about 36 percent (Morales 334).

Finally, as with Colombia, one of the most difficult problems to overcome is the widespread corruption that the sizeable drug monies promote. In a recent ABC documentary on the Bolivian drug war, it was pointed out that corruption within the military is a major obstacle. During one raid on a suspected processing facility, the military in the region were confined to their barracks for fear they would compromise the operation.

#### INTERNATIONAL ARENA

One additional area needs to be addressed before looking at the U.S. strategy employed in countering the cocaine threat, and that is the growing international dimensions of the problem. Although, from a source country standpoint, Peru, Bolivia, and Colombia account for the vast majority of coca cultivation and cocaine processing, other countries throughout Central and South America play important secondary and tertiary roles. The National Narcotics Intelligence Consumers Committee (NNICC) Report of July 1992 provides a fairly comprehensive synopsis in this regard. Cocaine processing plants, for example, have been uncovered in Argentina and Brazil. The NNICC Report attributes trafficking in Argentina to the presence of both Colombian

and Bolivian drug networks. In Brazil, cocaine seizures in 1991 amounted to four tons, up from 2.4 tons seized in 1990. Brazil is also a major producer of the chemicals used in processing cocaine. In Paraguay, the NNICC reports that the military has been directly involved in drug trafficking operations. Many other countries are involved in transshipment activities, including Mexico, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Haiti, Hispaniola, Nicaragua, Panama, Jamaica, and the Bahaman Islands. The NNICC further identifies Venezuela as an emerging cocaine transit point, and suggests that corruption in Suriname has reached a level where traffickers are receiving protection from senior government and military personnel.

The foreign cocaine supply network, then, extends beyond the borders of Colombia, Bolivia, and Peru. Of equal concern, the customer base is expanding beyond U. S. shores. Clearly, the U.S. remains the principal user of cocaine, but other countries are beginning to see increased use among their citizenry. They include, among others, France, England, Portugal, Spain, Italy, Germany, and Australia. The NNICC notes the seizure of 221 pounds of cocaine by Polish authorities in October 1991 that had been shipped to Gdansk from Cartagena, Columbia, and a smaller seizure by Rumanian police in May of 1991. It also cites efforts by drug traffickers to increase demand in Japan, and concern among Japanese authorities that cocaine use is becoming more prevalent.

European anxiety over this growing problem is addressed in Alison Jamieson's report entitled "Drug Trafficking After 1991." According to Jamieson, drug use has become a major issue within the European Community, (EC), as Europe has experienced a marked increase in the distribution and use

of illegal drugs over the past several years. CELAD, the European Committee to Combat Drugs, was established by the EC Heads of State in December 1989. In addition to CELAD, the Council of Europe Pompidou Group, established prior to CELAD, functions as a policy forum to address drug problems across the continent. Jamieson emphasizes that although Europe's cocaine seizures amount to only 3 percent of world seizures, total seizures rose from four metric tons in 1987 to eight metric tons in 1989. As Spain has increased its interdiction efforts, France, Italy, the Netherlands, and England have become targets of the South American exporters. Jamieson also notes that the political unrest and economic hardships experienced in the republics of the former Soviet Union and Eastern European countries put them at high risk. He suggests that Colombian and Sicilian drug groups may already be in place to set up operations for growing coca, not to mention poppy and cannabis, in these countries (7). An October 1992 report by the Department of Justice on drug trafficking and abuse in the former Soviet Union concluded that the new republics "... face the prospect of increased domestic illicit cultivation and abuse as well as intensified international drug trafficking and related crime (IX)." (The report also noted that cocaine use was currently not a significant problem in any of the republics.) A recent DEA evaluation suggests that the lack of disposable income will help to prevent significant cocaine use in the poorer European countries, but they are likely to gain importance as cocaine transit points.

Andreas and Campodonico emphasize Europe's fairly long history of heroin abuse and its awakening to cocaine. They reference a statement by the head of Spain's National Drug Program that, "Europe is where the U.S. was eight to ten

years ago (38). They also cite Drug Enforcement Agency estimates that cocaine consumption in Europe has grown from about 90 tons in 1989 to between 160 and 180 tons in 1990. As the amount of cocaine seized in Europe has risen, so have both the number of seizures and the number of people arrested during the seizures. In 1976, just over 46 kilograms of cocaine were confiscated during 121 incidents spread over ten countries. In 1991, there were over 1,700 seizures totalling 14,622 kilograms spread over twenty-five countries. Among the five countries with the most seizures, Spain had the lead, with over 6,700 kilograms, followed by the Netherlands, Portugal, England, and Italy.

What the European Community is doing to fend off this threat of a drug epidemic is similar in many respects to what the U.S. has been doing for the past ten years. It's trying to cover all the bases, from drug interdiction and the prevention of money laundering, to education and treatment, and financial aid to the South American source countries. Before looking more closely at the need for a coordinated, global approach to the problem, some discussion of the U.S. strategy and the domestic state of affairs is needed.

#### THE U.S. STRATEGY - SUPPLY & DEMAND

The National Drug Control Strategy, published in January 1992, is impressive in terms of comprehensiveness and budget. During FY 93, the country will spend just under \$12 billion to combat drug abuse. This is the fourth White House strategy report since passage of the Anti-Drug Abuse Act of 1988. During the past four years, excluding monies targeted for FY93, we have

spent \$38.3 billion on interdiction, treatment, education, and assorted other anti-drug related initiatives. The pertinent questions are: (1) Is progress being made? and (2) Is there an end in sight? According to the January '92 report, progress has been made. Whether there is an end in sight, and at what total cost to the American taxpayer, however, is not clear.

As to progress, the '92 report cites numerous statistics, based primarily on a 1991 survey of households conducted by the National Institute on Drug Abuse (NIDA) and NIDA's Drug Abuse Warning Network, a record of admissions to hospital emergency rooms where illegal drug use is suspected. According to the survey of households, overall drug use is declining. Considering all forms of drug abuse, current use (past month use) has declined by 13 percent since 1988, with a total, estimated user population of 12.2 million in 1991. Occasional cocaine use (less than once per month) has declined by 22 percent in the same four year period, with an estimated 4.5 million users in 1991. But, although this four year trend is encouraging, occasional cocaine use actually increased by 9 percent from 1990 to 1991. In the category of frequent cocaine use (addictive use), the four year trend is also down slightly, from 862,000 frequent users in 1988 to 855,000 users in 1991, but again, there was a marked increase in use from 1990 to 1991. In 1991, the frequent user population climbed to 855,000, a 29 percent increase over 1990. As explained in the January 1992 Strategy Report, and discussed further with personnel at the White House Office of National Drug Control Policy (ONDCP), it is believed that a shift in the average age of the cocaine user partly explains the increased numbers of occasional and frequent users in 1991. For example, when users over age 35 are excluded from the total

population, occasional use declines 35 percent and frequent use declines 28 percent from 1988 to 1991. If this explanation is accurate, then, according to ONDCP personnel, we are now seeing fewer young people experimenting with cocaine and a more experienced, hard core population of occasional and frequent users. Realistically, though, gauging the extent of the cocaine problem is a tenuous task at best. In one section of the 1992 Strategy Report, for example, the results of the 1991 High School Senior Survey are quoted to illustrate a significant reduction in cocaine use among high school seniors from 1988 to 1991. But, as pointed out by Mary Cooper in her article, 'Does the War on Drugs Need a New Strategy (111),' this survey does not cover school dropouts, a segment of the population likely to be at high risk. Joseph Douglass, in his article, Assessing Progress in the War on Drugs, notes that Senator Joseph Biden has also questioned the accuracy of the statistics quoted in the '92 National Drug Control Strategy Report (38). Biden places the number of frequent cocaine users closer to 2.2 million versus the 855,000 figure cited in the report.

Over the years, there have been lengthy debates over supply versus demand anti-drug strategies. The supply side strategies stress law enforcement and interdiction; the demand side strategies focus more on education and treatment coupled with law enforcement. A third alternative, which has been supported to a far lesser extent, involves various forms of legalization. Some analysis of these different strategies will be helpful in assessing our ongoing efforts.

Since 1986 and passage of the Anti-Drug Abuse Act, federal funding to

combat drug abuse has generally favored supply-side measures over demand curtailment. Funding for FY 93 is approximately 68 percent supply-side focused. Certainly, from a theoretical standpoint, if we could stop cocaine from entering the country, illegal use would not be a problem.

The supply-side strategy involves disrupting the cocaine network at all levels, from the cultivation of coca and processing of cocaine, to the illegal entry and sale of cocaine in the United States. Crop eradication and substitution programs in Colombia, Bolivia, and Peru, extradition treaties, military and economic aid, and domestic law enforcement activities are all directed toward disrupting the cocaine trade. The two principal obstacles confronting a supply-side strategy are: (1) the economics inherent in coca cultivation and cocaine processing and sales, and (2) the absence of strong governmental institutions and strong national economies in the three primary source countries. Coca is the only viable alternative for poor farmers in many instances, and struggling governments in Latin America are often at odds over promoting the eradication of coca, when they are unable to offer an equally profitable substitute. These governments are also acutely aware of the threats posed by actual or potential insurgency groups that garner support from the poor peasants, and by their own military, strengthened by U.S. military assistance programs. Finally, the excessive profits that accompany cocaine distribution and sale have led to widespread corruption throughout the Latin American community that undermines supply-side measures.

Efforts to measure the success of supply-side strategies range from estimates of drug use in the United States via use of the aforementioned

surveys, to estimates of hectares of coca under cultivation and the street price of cocaine. According to the NNICC Report published in July 1992, cocaine was readily available in all major U.S. metropolitan areas during 1991. More alarming, the 1991 price of a kilogram of cocaine, which one would expect to rise as supply-side efforts kick in, was actually down from the 1990 price in many metropolitan areas. Estimated cocaine production in the source countries in 1991 also rose above that in 1990, from an estimated production of between 969 and 1,199 tons in 1990 to between 1,051 and 1,267 tons in 1991. Although total seizures rose in 1991, the NNICC Report suggests that this merely forced the producers and traffickers to adopt more efficient procedures. An early justification for the supply-side strategy was that reducing the supply of cocaine flowing into the country would, in turn, raise the price of cocaine on the street to such a level that use would decrease. However, as Mathea Falco points out, the total cost of cultivating coca and processing cocaine accounts for roughly 12 percent of the street price (7). She notes that even if the United States was able to seize half the cocaine coming from South America, "... cocaine prices in the United States would increase by little more than 5 percent (8)."

There is an element of frustration present among those originally advocating stronger supply-side measures. Nevertheless, one promising supply-side strategy entails economic aid to the source countries. Included here are the Andean Trade Initiative (ATI) and the Enterprise for the Americas Initiative (EAI). President Bush announced the ATI in 1989. Its purpose is to broaden trade and investment opportunities between the U.S. and the Andean countries of Peru, Bolivia, Colombia, and Ecuador. Part of this initiative,

called the Andean Trade Preference Act, provides duty-free access for exports from Peru, Bolivia, Columbia, and Ecuador. The EAI envisions a hemisphere-wide free trade system designed to encourage a more solid economic partnership between the U.S. and its Latin American neighbors. The EAI encompasses three broad initiatives: (1) expanded trade, (2) increased investment and capital flow, and (3) debt reduction measures. As expressed in the Joint Declaration of the San Antonio Drug Summit chaired by President Bush in February 1992, and attended by the Presidents of Bolivia, Columbia, Peru, Ecuador, and Mexico, "... economic development is an essential part of the comprehensive plan to reduce illegal narcotic trade...(Dispatch 149)."

Clearly, more needs to be done on the economic assistance front. As noted by Raphael Peri in his review of the U.S. drug strategy, the Andean Trade Preference Act, although beneficial in many respects, excludes key Andean exports like tuna, sugar, shoes, and textiles, and without further expansion is unlikely to influence coca cultivation and cocaine trafficking (16). Also of concern, is the requirement that the President annually certify to Congress that major drug producing or trafficking nations are cooperating fully with the U.S. in anti-drug initiatives prior to the provision of certain kinds of economic aid. This certification requirement is contained in the Anti-drug Abuse Acts of 1986 and 1988, as well as the Foreign Assistance Act of 1961, as amended. Although the President has the option of certifying countries that have not fully cooperated with the U.S. on the grounds that national security interests dictate that assistance be provided notwithstanding, the certification requirement is troublesome, and has resulted in delaying aid to selected source countries. Further, with regard

to Peru, Congress has established improved performance of the Peruvian military and police in the areas of human rights as well as counter narcotics activities, as a key factor in determining eligibility for economic assistance. As a result of this requirement, FY91 funds targeted for Peru were delayed until well into FY92. In testimony before the House Select Committee on Narcotics Abuse and Control in April 1989, Bruce Bagley stated that the whole certification process is "...the most negative, most destructive process that the U.S. has devised for ensuring cooperation from the nations of Latin America in the drug war (43)." Instead, Bagley argues we should be offering positive economic incentives.

The supply-side strategy covers countless other initiatives, ranging from training source country military and police forces in counter-drug activities, to soliciting international involvement in the interdiction of drugs. It is in this latter activity, the solicitation of international support and involvement, that more work needs to be done, and this will be addressed in more depth later.

On the demand-side, proponents point to the ready availability of cocaine in all major metropolitan areas of the country as evidence that interdiction and other supply-side efforts have failed. The demand-side component of the U.S. drug strategy is comprised of three major segments: law enforcement, treatment, and education. Each of these segments has grown in size and dollar expenditures with each passing year. Advocates of more intensified demand-side efforts range from those calling for increased funding for treatment and education, to those of a more liberal persuasion who favor

legalization or decriminalization.

The law enforcement component of demand-side efforts has created unexpected problems. A steady rise in the number of drug related convictions over the last ten years is beginning to present a real challenge for prison management personnel. Following the introduction of crack cocaine in New York City in 1984, Jerome Skolnick cites a rapid increase in arrests. In Skolnick's discussion of the problem with New York City Police Chief John Hill, the Chief was asked whether the increased arrests were reducing overall use. The Chief responded, "The easiest thing to do is make an arrest. The hardest thing is to stop it. Enforcement will never stop it (141)." Peter Reuter suggests that simply loading up our prisons with occasional or frequent users, as opposed to traffickers and dealers, is not really cost effective. Further, he points out the dilemma presented by the poorest sections of America's largest cities. The most severe drug problem occurs in these poor inner city areas, and our drug strategy results in the incarceration of ... alarmingly high percentages of young males from the same communities (40)." Thus, it would seem that until we can overcome the social and economic hardships so common among inner-city communities, disproportionate drug use and drug related crime and arrests will continue to be a problem.

It is noteworthy that some progress stemming from enhanced educational efforts (school systems and mass media) appears evident from the statistics alluded to earlier that show a declining number of younger users, those under 35 years of age. Therefore, continued emphasis on this aspect of the drug war is a must.

Adequate treatment and other health related services must also be considered a necessity as long as drug use remains a problem, even though some controversy exists as to the long term benefits resulting from treatment. Former Drug Czar William Bennett noted that drug treatment alone should not be viewed as a panacea. Referring to one study, he cautions that only half of cocaine addicts are drug free one or two years after treatment. Further, he advises that some treatment modalities are sounder than others. To be effective, Bennett notes, a program must encompass several elements, including insistence on a strict code of conduct, individual responsibility, personal sacrifice, and punishment for rule breaking (141).

Finally, legalization is seen by some as a means of controlling the use of cocaine while simultaneously removing the criminal element accompanying illegal drug use. Ethan Nadelmann of Princeton University cites three reasons why legalization should be pursued (Cooper 121). First, existing supply-demand strategies have not significantly reduced drug use in spite of large dollar expenditures. Second, criminal activities that are the focus of domestic law enforcement are the result of our current prohibition policy. Third, the risks associated with legalization can be minimized through adequate regulatory structures. Jerome Skolnick categorizes the legalization alternative under four possible models (152). Under the first, a free-market model, cocaine would be sold over the counter, much like aspirin. The second model is described as one similar to cigarettes, where age would be a discriminating factor. The third model is one where control is slightly more regulated, as with alcohol. Finally, the fourth model envisions use by medical

prescription only. As pointed out by Skolnick, the more the government attempts to control use, the greater the likelihood of illegal activity. Skolnick acknowledges that while legalization does not necessarily mean increased use, it often has in the U.S. He points to alcohol and gambling as examples. Bennet, in his book, *The De-Valuing of America*, underscores the immorality of drug use and how it can undermine "...the necessary virtues of a free society (121)."

Opinion surveys generally show that the American public is against legalization. The overriding fear seems to be that once we legalize drugs, use will increase dramatically. A somewhat frightening experiment with laboratory animals is referenced by Bruce Alexander, in his book, *Peaceful Measures - Canada's Way Out of the War on Drugs (198)*. Three monkeys were put in a cage and presented with two levers. Depressing one lever would dispense five 1 gram food pellets. Depressing the other lever would cause the injection of .3 milligrams of cocaine per kilogram of body weight. Over an eight day experiment, the monkeys chose cocaine almost exclusively. In a similar experiment with rats, nine of ten rats died after 30 days of repeated cocaine use and loss of body weight up to 29 percent. Mark Kleiman, in his review of the legalization issue, concludes that the addictive nature of cocaine, coupled with the physical and emotional damage that frequent and prolonged use can cause, makes it unsuitable for any form of legalization. He states, "As bad as our current cocaine prohibition is, I cannot invent a version of legal availability for cocaine that wouldn't be worse (78)."

The debate over the merits of legalization is likely to continue until

an answer to the drug problem is found. In the meantime, many argue that we should be spending more on education and treatment. As noted by Reuter, the nations of Western Europe tend to be concerned more with the harmful effects of drug use, as opposed to the criminal aspects of drug use (40). Marijuana use, with the exception of Scandinavia, is for the most part ignored. He attributes some of the more humane aspects of the European attitude towards drug use to the significantly lower incidence of crime. Harm minimization, rather than criminal prosecution, seems to be the European strategy. As noted earlier, though, Europe is experiencing an upward trend in cocaine use, and their overall anti-drug strategy is beginning to mimic that of the U.S.

#### THE U.S. STRATEGY & PROSPECTS FOR THE FUTURE

The question then remains, what, if any, changes are needed in our current strategy. Clearly, the drug problem is immensely complex, and there is no shortage of critics espousing various solutions. Matheo Falco attributes what limited success we've achieved to our efforts on demand reduction as opposed to supply interdiction (8). A recent report by the Carnegie Endowment for International Peace cites the failure of supply-side efforts in the war against drugs and calls for more emphasis on education and treatment, coupled with greater international cooperation (52). Joseph Douglass, on the other hand sees the demand-side strategy as merely a stopgap measure, one that does not cure the disease, but merely limits it. He views supply as creating demand, and calls for more intensive supply-side activity. Apart from advocating a preference for either supply-side or demand-side strategies, however, most critics agree that some effort is needed on both

fronts. This leads us back again to the various components of the U.S. strategy.

As discussed earlier, the current U.S. strategy is comprehensive in terms of the multiple demand and supply-side tactics that are being simultaneously emphasized and employed. Unquestionably, there has been progress, but cocaine continues to be a major problem in virtually every major metropolitan area. Careful scrutiny of our nation's counter drug strategies over the past several years, seems to reveal two significant weaknesses, and both pertain to our efforts on the supply side. First, there seems to be a failure in our overall strategy to reconcile our objectives and tactics with the intractable social and economic importance of coca and cocaine to the source countries. Secondly, the U.S. has not pursued aggressively enough a coordinated, international drug program.

With regard to the first criticism, our interest in, and resulting policies directed toward, stemming the flow of cocaine from Colombia, Bolivia, and Peru are often in direct conflict with our equally important and longterm interest in promoting political and economic stability in these countries. In short, our expectations and policies need to be adjusted to better accommodate the complexity of the coca/cocaine industry. It is not merely the Medellin or Cali cartels that have created the problem. Surely, even if we were to capture and imprison the cartel leaders, others would soon organize to fill the void. The profits are simply too high and the startup costs too low. Two more insidious elements must be addressed before we can realistically hope to diffuse the cartel problem. The first has to do with the peasant farmers'

economic dependence on coca cultivation. The second concerns the weak legislative and judicial institutions in the source countries.

Concerning the economics of coca cultivation, it is now fairly clear that crop eradication is a costly and shortlived strategy. One thousand hectares of coca might be destroyed in one location, only to see similar cultivation a few months later in another location. The cartels find a ready pool of suppliers from the poor peasant farmers. Our present policy of withholding economic assistance from those Latin American countries that have failed to show progress in the war against drugs or who have poor human rights records is nearsighted. Economic assistance, at least for the near term, should be provided notwithstanding, for without it, the relatively weak source country governments have that much less to offer their citizenry as an alternative to coca and cocaine.

As economic conditions improve within Columbia, Bolivia, and Peru, so too will their weak democratic institutions. Presently, they face not only pressure from the U. S. to eradicate coca fields, but pressure from guerrilla insurgency groups, not to mention the sporadic, destructive violence sponsored by the cartels. In order to help strengthen these governments, our policies, should be redesigned to minimize domestic unrest. Current policies that promote crop eradication or extradition only foster national discontent during a time when the struggling governments can least afford it. Further, while our offshore air and marine interdiction efforts are beneficial to the extent that they will to a degree lessen the amount of cocaine entering the U.S., the benefits of training and arming Latin American military and police

organizations are less clear. They can even be potentially harmful, given the ever present threat of military coups. Briefly stated, our foreign policy initiatives should be measured in proportion to what the individual source countries can realistically accommodate. Suggesting to the President of Peru, for example, that he should take steps to destroy all coca crops when he has no alternative crop to offer the peasant farmer is foolhardy, particularly when he is challenged by an insurgency group only too willing to embrace a peasant uprising.

The second major criticism of the present U.S. strategy is closely related to the first and focuses on the need for greater international cooperation. Although the 1992 Report of the National Drug Control Strategy highlights the importance of international involvement, including the United Nations, relatively little progress has been made in this area. Since 1977, for example, the U.S. contribution to United Nations' drug agencies has averaged less than 5 million a year. Greater international cooperation is needed in two principal areas. First, the amount of economic assistance that is so desperately needed in the source countries, such as investment capital, debt relief, and expanded trade, exceeds what the U.S. can unilaterally afford at this time. Over the long haul, the drug war will only be won when the economies of the drug producing countries can provide alternative sources of income. With the gradual realization on the part of our European allies, as well as Japan, that cocaine is not solely a U.S. problem, the opportunity is at hand to focus world-wide attention on a comprehensive economic assistance program. Secondly, and as referred to earlier, the excessive profits that are generated in the cocaine business attract a seemingly endless supply of

dealers and traffickers. A more coordinated international law enforcement network to discourage illegal drug sales and expose money laundering operations will complement efforts on the economic assistance front.

Much as the G-7 is attempting to structure a financial aid package to strengthen democratic reform in the republics of the former Soviet Union, so too should the industrialized nations of the world unite in confronting and stemming the spread of illegal drugs. While the U.S. has accepted the brunt of this trans-national burden over the past several years, the economic and social complexities of this issue dictate a more global approach if the war on drugs is to succeed. The true test of our drug strategy in the future will rest on how well we are able to coordinate a trans-national plan to alleviate the economic and social conditions that drive coca cultivation within the source countries of South America.

In short our strategic thinking in the cocaine war needs some reorientation. Neither economic sanctions nor increased military assistance are necessarily useful or appropriate weapons. In fact, they are counter-productive. We are not confronted by an enemy in the traditional sense of warfare. Instead, we are confronted with elusive social and economic conditions in the source countries that make coca cultivation and the sale of cocaine the most attractive of otherwise limited opportunities. The issue really isn't whether we should emphasize one strategy over the other, for both demand and supply-side efforts are needed. On the supply-side, though, we must take the long view, and begin forging an international alliance that can assist our Latin American neighbors in strengthening their political, social,

and economic foundations. Until real progress is made in these areas, we cannot realistically hope to win the battle at home.

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