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BETWEEN COCA AND COCAINE:
A Century or More of U.S.-Peruvian Drug Paradoxes,
1860-1980

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Cocaine has a long and mostly forgotten history, which more often than not over the past century has revolved around relationships between the United States and the Andean Republic of Peru. This essay examines that U.S.-Peruvian axis, through three long historical arcs or processes that proceeded—and in some sense inform—the hemispheric “drug wars” of the past twenty years. For each stage, I will focus on the changing U.S. influences, signals or designs around Andean coca and cocaine, the global contexts and competing cocaine circuits which mediated those transnational forces and flows, and the notably dynamic Peruvian responses to North-American drug challenges. Each period left its legacies, and paradoxes, for cocaine’s progressive definition as a global, illicit and menacing drug.

1 I thank the Wilson Center, and its Latin American Program in particular, for their hospitality and largesse this year; Julio Cotler (Instituto de Estudios Peruanos, Lima) for his commentary; Kathy Morse for assistance; colleagues, friends and helpers in the larger research project this essay represents; and our new son, Danyal Natan, for allowing the sleep needed to put it together.

2 And largely unknown: this essay is of a larger archival project to unveil this hidden history. For the U.S. itself, we now have the superb study by Joseph F. Spillane, Cocaine: From Medical Marvel to Modern Menace in the United States, 1884-1920 (Baltimore: John Hopkins University Press, 1999); for global views, Paul Gootenberg, ed., Cocaine: Global Histories (London: Routledge UK, 1999); as background, Steven B. Karch, MD, A Brief History of Cocaine (Boca Raton: CRC Press, 1998). A reliable source on transnational issues is William Walker III, Drug Control in the Americas (Albuquerque: University of New Mexico Press, 1981)
This is mainly a synthetic essay—trying to make sense of a vast body of new research in the archives—but the history of drugs also makes fertile ground for trying new methods or approaches from the historical social sciences. Two approaches are worth mentioning here. First, this essay draws on the “new international history,” which is working to overcome traditional academic dichotomies between “domestic” and “foreign” actors, dominant and dependent geographies of power, and between cultural and economic dimensions of transnational events and relationships. I hope to go behind and beyond standard diplomatic history narratives of “drug control.” Secondly, this essay shares broadly in what can be termed a political or social “constructionist” view of drug regimes, an approach with long roots in “drug studies.” Not only official drug policies, but our basic attitudes towards drugs (friend or foe, legal or illicit, domesticated or foreign), their variable social uses and effects, and even shifting patterns of supply and demand, are to a great degree historically created, conditioned and changeable. Drug history, including cocaine’s, best focuses on our protean social relationships to mind-altering substances, than say the rigid dictates of drug chemistry or current morality.\footnote{For a feel for this new international history, try some recent anthologies: Gilbert Joseph, C. LeGrand, R. Salvatore, eds., \textit{Close Encounters of Empire: Writing the Culture History of U.S.-Latin American Relations} (Durham: Duke University Press, 1998); Amy Kaplan and D. Pease, eds., \textit{Cultures of United States Imperialism} (Durham: Duke University Press, 1993); and Frederick Cooper and A. Stoler, eds., \textit{Tensions of Empire: Colonial Cultures in a Bourgeois World} (Berkeley: University of California Press, 1997). For a longer analysis of}
The three phases explored in this cocaine genealogy are 1) 1885-1910: the promotion of inter-American coca and cocaine networks (an initial period when the U.S. and Peru actively worked together to make cocaine into a modern medical and global commodity). 2) 1910-1940: an era of transition when the U.S. reversed itself and launched a domestic and worldly crusade to banish the drug (while Peru exhibited greater autonomy, ambivalence and cultural crisis towards its national coca and cocaine). 3) 1940-1980: when contemporary cocaine “prohibitions” came to fruition and with a global reach, accompanied by a high degree of U.S.-Peruvian collaboration. But this final period and process also witnessed the birth of illicit international networks of the drug, and with them, as we also see, the persisting and paradox-laden North-American drug dilemmas of the late twentieth century.

1860–1910: From Coca to Commodity Cocaine

Cocaine, crystallized from Peruvian coca leaf by 1860, was widely regarded as a modern “miracle” alkaloid of the late nineteenth century. By 1900, the United States had emerged as the world’s largest consumer and booster of both these

products, coca and cocaine, for a gamut of medical and popular uses. Coca leaf spread first inspired by luxuriant French wine tonics and a growing public and scientific confidence in coca’s active qualities. During the 1860s, leading American physicians, such as William S. Searle, traded notes and fresh coca with their Peruvian counterparts. *Erythroxylon coca*, a mild and complex stimulant comparable to tea or coffee, was embraced therapeutically by a range of American “eclectic” and herbal medicine men and drug companies, for a broad range of ailments, real and imagined. Culturally, coca became the antidote for that most emblematic of Gilded-Age American conditions--“neurasthenia”—the chronic nervousness associated with fast-paced urbanity and competitive modernity.

Infused in countless tonics and “patent medicines” of the era, North America’s love affair with coca became immortalized in “Coca-Cola,” concocted in Atlanta in 1886, and by 1900 was already one of the most successful and exportable commodities ever marketed. By 1900, the U.S. imported 600-1,000 (metric) tons of coca annually, mainly for this consumer market, and mainly from Peru. One still feels the initial American enchantment with coca in Dr. W. Golden Mortimer’s classic defense of it, *History of Coca: “The Divine Plant” of the Incas* (1901).

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Cocaine, coca’s derivative, was a modern medical marvel, the first drug whose profile came out of the emerging laboratory science. Its medical uses, especially in surgery, boomed after the late 1884 news of its local anesthetic powers. Cocaine revolutionized anesthesia and hitherto unbearably delicate operations, such as eye surgery. By the late 1880s, scores of American physicians and pharmacists, following European leads, experimented with cocaine and publicized its other potential applications, in forums ranging from Detroit’s commercial *Therapeutic Gazette* to the staid New York Academy of Medicine. For a while, cocaine sparked serious debates as a therapy for a host of internal bodily and mental ills: for cholera, opiate addiction, hay fever, epilepsy, melancholia and so on. Leading U.S. pharmaceuticals firms–Parke, Davis & Co., Schlieffelin & Co., Mallinckrodt Chemical Works, Merck of New Jersey–swiftly became leaders in cocaine production, marketing 5 to 6 tons of it yearly by the turn of the century, about a third of world supply. Cocaine–purer, more powerful, and more “scientific” than coca–was lauded by some of the greatest figures in American medicine, such as William Hammond and William S. Halstead. But doctors also developed a balanced appreciation of the drug’s dangerous side effects, and by the 1890s, warnings and fears of another type of use, by thrill-seeking “cocaine fiends,” who early discovered the recreational uses of cocaine (by injection or snorting).

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5 Spillane, *Cocaine*, ch. 6, studies the making of the “fiend.” Medical journals of the late 1880s
The United States, through a variety of signals and means, sought to encourage Peruvian production of coca (though less so, of manufactured cocaine). In the mid-1880s, the heated interest of North American science and industry quickly filtered to Peruvians, doctors, statesmen and capitalists. The U.S. Navy and U.S. Consuls in the Andes worked to ensure coca supply routes during the great coca scarcity and price crisis of 1884-87; later, Commercial Attachés in Lima built contacts with local cocaine-makers to diversify their business and helped Peruvians to upgrade coca processing and shipping practices. One U.S. Consul in the region worked to promote coca use up north to Americans (or whom he termed “White People”) as a healthy substitute for their favorite vice, whisky. In the mid-1880s, Parke, Davis & Co. sent Henry Hurd Rusby, North America’s premier “pharmocognosist” (i.e., ethno-botanist) on a legendary Andean mission to scope out secure supplies and for study of indigenous coca therapies, the first of Rusby’s many involvements with the drug. Drug-trade journals debated coca-growing schemes closer to or even within the U.S., though this talk abated as Peru proved amply capable of meeting swelling American demands. (Anecdotally, even the

(e.g., New York Medical Journal, 1884-1890, esp. The New York Academy of Medicine, 26th Nov 1889, “The Indiscriminate Use of Cocaine” a symposium) had already noted cocaine’s potential perils as well as non-medical use.

young “Mark Twain” dreamt of making his fortune raising coca.) In fact, little push was needed here, as after 1898 South America drifted into the informal expanding U.S. commercial sphere. Indeed by the mid-1890s, a clutch of U.S. cocaine interests, flexing political muscle, overtly discriminated against the nascent Peruvian cocaine industry, by getting U.S. tariffs to strongly favor domestic manufacturers of the drug, and their coveted coca-leaf inputs and imports over refined drugs.

The U.S., however, was by no means the sole power vested in cocaine. It competed with a vibrant early science and “commodity chain” linking Germanic-Europe to the Andes. Austro-Swiss-Germans traversed the Andes in mid-century and revived a long dormant European interest in coca, now for an industrializing world. German pharmacologists ordered fresh Peruvian coca supplies during the Austrian Novara naval mission of 1859, for their leading-edge laboratories, where Albert Niemann (among others) soon claimed credit for “discovering” its most active of alkaloids, Kokain. The pioneer medical celebrities associated with the drug in the 1880s were Germanic: Dr. Karl Koller (in anesthesia) and the young

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7 For “Wallersteinian” commodity chain approach, see Gary Gereffi and Miguel Korzeniewitz, eds., Commodity Chains and Global Capitalism (Westport CT: Greenwood Press, 1994); for an
Sigmund Freud (as psycho-pharmacologist and an avid user). It was a German firm, E. Merck of Darmstadt, which earned its name making premium cocaine hydrochloride, its leading product-line by the 1890s. Hamburg became the world’s cocaine-mart, and by 1900 German pharmaceuticals joined into a formidable “cartel” to manage unstable world cocaine prices and profits. (The French, à la popular coca-laced Vin Mariani, and the British with imperial Kew Gardens, also worked some influences, yet theirs more focused on neo-Incan coca cultures and coca-leaf botany, used from opera singers to bicycle racers). The Germanic-link reached far into Peru. Lima’s best-placed cocaine merchants and manufacturing pharmacies sported German names. It was a German national off to Peru, one Arnaldo Kitz, who marched out in 1888 to find Austrian peasants (in the lost Amazonian colony of Pozuzo) and created a new cocaine industry “on the spot”--the eastern Andes, ancestral homeland of coca. Moreover, Europeans took an active colonial-mercantilist stake in coca. The British in India, as well as the French and Dutch, swiftly launched botanical and commercial experiments for anthropological transnational approach linking power and cultures, try Sidney Mintz’s Sweetness and Power: The Place of Sugar in Modern History (New York: Viking Penguin, 1985).

coca plantations, abandoned (or so it seemed) when Peru, under German tutelage, countered with reliable cheaper exports of “crude cocaine” by 1890. The German cocaine nexus survived into this century. Hamburg brought in the bulk of legal Peruvian cocaine for refinement (whereas New York imported coca), and American policy pegged Germany as the chief obstacle to global cocaine controls, during the first international Narcotics Conventions (1912) and beyond.

Peruvian responses to these worldly forces proved crucial to the making of modern cocaine as a global commodity. In the late nineteenth century, Peru was a poor, ethnically fractured and economically devastated land, barely recovering from the multiple disasters of its first six decades of independent life. The coca bush was long tinged with traditional leaf “chewing” by the country’s Andean Indian majority, a custom ambivalently viewed by the country’s white coastal elite. By the 1860s, Peruvian intellectuals and medical-men, such as M.A. Fuentes, J.C. Ulloa and Dr. Tomás Moreno y Maíz, began to actively re-value native coca, now as a good thing and sleeping fortune, sparked by growing European medical curiosity. In the mid-1880s, after the catastrophic War of the Pacific with Chile, a local medical and promotional movement for cocaine swiftly coalesced in concert with overseas scientific and burgeoning commercial interest. The innovative chemical and therapeutic researches of Lima pharmacist Alfredo Bignon—a true case of scientific “excellence on the periphery”—brought forth by 1885 a medical
and promotional “Cocaine Commission” and commercial emulators (a handful of exporting cocaine workshops in the capital.) This caught the full attention of the Peruvian authorities, which convened a blue-ribbon panel on the drug. The later Ulloa “Coca Commission” of 1888 strongly urged Peruvian production of the drug itself for export, “crude cocaine,” not just coca, coca elixirs and the like. They urged a range of pro-active steps to disseminate coca’s uses and popularity abroad; to make coca a mass “hygienic” (health) good of the northern toiling masses. Peruvian coca would be the “coffee or tea” of the coming century. The country’s intellectual lights, such as sociologist Carlos Lissón, also weighed in for modernizing cocaine, as did pioneer promoters of Amazonian development. The activities were well underway.

Peru became the biggest supplier of this cocaine, along with coca, to this novel world market of the 1890s, until its saturation by around 1905. Cocaine manufacturing, based on Bignon’s methods, spread from Lima to all parts of the country where coca thrived: northern La Libertad Department, Amazonian Pozuzo, the tropics of southern Cuzco and Huanta, and central Andes Huánuco. By 1900,

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9 For Bignon and local cocaine science, P. Gootenberg, “From Imagining Coca to Making Cocaine” (Ms., Wilson Center, April 2000) or La Gaceta Médica de Perú and Boletín de la Academia Libre de Medicina de Lima (1885-87); J.C. Ulloa, N. Colunga, J. de los Ríos “Informe Sobre la Coca,” La Crónica Médica (1889), 27-31; Carlos Lissón, Breves Apuntes sobre la Sociología del Perú en 1886 (Lima:1887), 63-69; Mariano Albornoz, Breves apuntes sobre la región Amazónica (Lima:1885), 36-7. On national science, see Marcos Cueto, Excelencia Científica en la Periferia (Lima: Instituto de Estudios Peruanos, 1989).
the province and town of Huánuco emerged as the capital of legal Peruvian cocaine, linked to the bustling coca plantations of the fertile Chinchao-Derrepente district, in the adjacent “Montaña”–the tropical Andean foothills--of the Huallaga River valley. A government colonization program spurred a small wave of coca peasant migration to the valley (and frontier Monzón), largely augmenting the labor and influence of existing estates. By 1900, the peak of the trade, coca products reached fifth-place among Peru’s export earners: some two million pounds of coca (mostly sent to Americans) and more than ten metric tons of cocaine (mainly to Germany). “Huánuco” and northern “Trujillo” leaf became branded commodities on world medicinal markets, edging out Bolivian and Cuzco varieties that fell back onto traditional local markets. Immigrant entrepreneurs--French, Germans and in Huánuco, a circle of Croats--helped initiate cocaine processing in Peru, worked up in about two dozen small factories, employing local tooling and techniques. The impure export product–cocaine sulfates or crude cocaine--was akin to the illicit jungle “pasta básica” of the 1980s, but sent on for refinement and medical markets by legal pharmaceutical firms in the core, rather than to clandestine labs and smugglers in Colombia. After 1900, respected regional commercial clans consolidated and spearheaded this industry, the Pinillos’ and

10Gootenberg, “Rise and Shine of a National Commodity”(study based on Huánuco regional archives); see Alejandro Garland, El Perú en 1906 (Lima, 1907), 180-2, 213, for sector; if highly esteemed and of rapid initial growth, coca/cocaine never exceeded 5% of national exports of the time.
Vergil’s of the north, the powerful and ever-political Huánuco clan of Augusto Durand, who was one of Peru’s best-known caudillos and políticos. The northern Trujillo circuit increasingly specialized in coca-leaf sales for the U.S., eventually becoming (via Maywood Chemical Co. of New Jersey) the privileged supplier for Coca-Cola--albeit as a de-cocainized coca beverage after 1903. Huánuco’s cocaine industry, in particular, became the bastion of an expansive regional pole and politics, articulating the tropical slopes of Huallaga’s Amazon to drug markets, drug firms and soon, to “snow” aficionados and anti-narcotics reformers across the globe.

High hopes got invested in Peruvian cocaine (no pun intended). Cocaine, in the words of statesman Alejandro Garland, was the “essentially Peruvian industry.” Cocaine became so highly valorized because it fused “modern” Western science and liberal commerce with a dormant ancient national resource, Peruvian coca leaf. Coca signified the wondrous gifts Peru could offer the world, and even its native stock went up with its new Europeanized uses (hadn’t Andean peoples first discovered it?). Cocaine embodied deferred nationalist hopes of industrialism.\textsuperscript{14} It combined a “natural” world monopoly with proof of what innovative Peruvians could do, without recourse to old-style central government intervention. In part,

such positive and Positivist associations reflected how cocaine—by 1900 a waning nineteenth-century miracle drug—was seen in the world at large, with a strong dose of national pride.

So, when between 1900 and 1920 cocaine began its transformation in the outer world—from miracle to pariah drug, from boom commodity to an un-welcomed illicit one—its legacies were paradoxical ones. The principle legacy was the working existence of these global circuits of commodity cocaine: the U.S.-Andean and the distinctive European link, which now had to be limited or suppressed. The American preference for coca leaf—magnified through the lens of tariffs—was preferably acquired through informal currents of commerce with Peru. Cocaine earned its place as the “first modern global drug,” not only in its far geographic reach but also in its broad cultural implications. ¹² In one generation, it became inverted in Western medical circles, from a possible modern panacea to an unscientific “mania,” and from the hope of exhausted modern “brain-workers” to the bane of our criminal classes, “easy women” (i.e., sex-workers), despised racial minorities and catchword “Others.” One paradox in this complex transformation was that coca—a relatively benign object of widespread popular use, and a possible

alternative to cocaine—became vilified by the same medical, professional and
governing circles that turned against stronger cocaine, with little dissent. Another
irony lay in how the U.S., the most avid consumer of both substances, quickly
transformed into the world’s most passionate and committed anti-cocaine crusader,
in what medical historian David F. Musto has diagnosed generally as “the
American Disease”—our eternal love-hate obsession with drugs as remedy and
scourge. For Peru, these were highly confused messages: once so vital to
develop, cocaine was now deemed a bad thing. It took many years for Peruvians to
fully get that message, perhaps due to the high initial hopes placed on the drug, as
well as the material and regional interests at stake.

Cocaine in Decline, 1910-1940

Cocaine did decline globally in the years 1910 to 1940, both in worldly prestige
and bodily use. World consumption likely halved from a fifteen-ton yearly peak to
less than four million tons in shrinking “legitimate” medical uses by the eve of
World War II. This period saw the first attempts, led by the U.S., to project a
global prohibition region around cocaine, and the continuance (and better put

University Press, 1973); “America’s First Cocaine Epidemic,” *Wilson Quarterly* (Summer 1989);
another cyclical view is David T. Courtright, “The Rise and Fall of Cocaine in the United
States,” in J. Goodman, P. Lovejoy, and A. Sheratt, eds., *Consuming Habits: Drugs in History
and Anthropology* (London: Routledge, 1995); Mortimer, *History of Coca* (1901) a dissenting
voice; as was Lloyd Brothers, “A Treatise on Coca (Erythroxylon Coca) (Cincinnati, 1913)
diversification) of the licit world networks to Asia. But this era was, significantly, also the low-point of illicit or recreational (ab)use of cocaine.

The United States was the prime mover in most of cocaine’s changes—as Europeans, Peruvians and other emerging actors watched, waited or eluded them. The sources of American anti-cocainism were complex, and will never be narrowed to one over-riding cause. It first welled up from local levels–by 1905 most American states had passed specific “anti-cocaine” statutes in reaction to clearer dangers, real and imagined, of the drug, and an underground space, dispersed market and deviant culture of pleasure-seeking non-medical cocaine preceded the legal bans. The highly visible and feared figure of the “coke fiend” predated drug prohibitions and he appeared more menacing than behaviorally passive and still often upper-class opiate habitué. By 1905, cocaine use also became notoriously racialized: across the new Jim-Crow south as rampaging “Negroes” on coke, in northern cities, New York especially, as unscrupulous and predatory pharmacists and dealers, or “Jew-peddlers” everywhere. This was an effective mixture of “moral panic”—i.e. a classic passionate drug scare–and serious muckraking concerns. The reduced club of U.S. manufacturers joined the campaign, led by professionalizing pharmacy and (mainstream) organized medical interests like the A.M.A.–in good part, to narrow or monopolize the field of professional use and to repair damaged public trust and reputations. Cocaine, U.S.
historian Joe Spillane now shows, had become a glaring symbol of unregulated
drugs and unreformed drug companies. Cocaine also got caught up with, and
sometimes conflated or lost in, surging Progressive-era campaigns against
Narcotics (with their new medicalized “addiction” model of abuse) and alcohol
(that oldest of American demons). Starting in 1906, the pure FDA acts scrutinized,
regulated and exposed coca “patent”-medicine frauds, and a few cocaine
concoctions catering specifically to fiends. Its crusade climaxed in a failed 1911-
12 Chattanooga show trial of Coca-Cola itself, with H.H. Rusby now a prime
government witness against the drug. In 1914, responding to international treaty
imperatives of our own making, Congress unanimously added cocaine to the
Harrison Narcotic Act (the first federal law); in 1922, coca imports fell under strict
control in the Jones-Miller Act, which banned all cocaine imports. The vigilance of
U.S. Treasury agents, State Department officials and later Harry J. Anslinger’s
legendary Federal Bureau of Narcotics (FBN) came into action.

Subsequently, after peaking around 1917, cocaine consumption fell off
dramatically in the U.S. (and elsewhere) during the inter-war period, in what one

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14 Spillane, *Cocaine*, chs. 2, 5, 7; Pendergrast, *God and Coca-Cola*, ch. 7; Musto has
emphasized the race factor; less so Lester Grinspoon and James Bakalar, *Cocaine: A Drug and
Cometh: Coke in Progressive New York,” *Criminology* 17/1 (May 1979), 75-99–archives from
Jerusalem (of the N.Y. Kehillah) shed much light on illicit cocaine in the teens. NA, RG59
“Name File of Suspected Narcotics Traffickers” (LOTS File No.55 D607), 1927-42 also
embarrassingly “cosmopolitan,” as were a number of pioneer South-American cocaine
merchants of the 1950s.
pundit calls “the great drought.” To be sure, cocaine found cultural niches of resonance: in jazz music, horseracing, Hollywood orgies and song, but confined to these realms of folklore. Cocaine medicinal usage continued to shrink, as substitutes like eucaine and procaine came on line, and cocaine research dried up since it poorly fit the new medical or opiate addiction paradigm. Most importantly, almost no organized international network of illicit cocaine emerged after prohibition laws, comparable to that coalescing around a younger ex-miracle drug, heroin. Even critically eyed, the inescapable conclusion from scrutiny of the era’s public health and FBN reports is: fewer and fewer cocaine fiends, and by the 1930s, effectively no cocaine being smuggled from abroad (with confiscations measured in ounces or vials of diverted European medical grade). No illicit factories came into being and no illegal trades sprouted from Andean coca fields.\[15\] In part, this pattern reflected our narrow “political economy” of cocaine production and control: four, then only two New Jersey firms, Merck and Maywood, who only imported bulky and easily-tracked coca to their sheltered and minutely-regulated market. They energetically cooperated with U.S. drug officials, who in turn promoted their name and causes over the next decades. For cocaine, U.S. borders


Europe was a slightly different story, with cocaine “sub-cultures” thriving through the 1920s in Weimer Berlin, London’s West End, the sin port of Rotterdam and the famous Montemarte (prostitution) district of Paris. Here, “coke” or “snow” was diverted from pharmacies and legal drug firms. For a fascinating view of its cultural impact, see Marek Kohn, *Dope Girls: The Birth of the British Drug Underground* (London: Lawrence & Wishart, 1992).
were sealed, withering away the initial urban cocaine gangs or “combinations.” By the late 1930s, Anslinger trumpeted cocaine not as a present danger (like his famous “Reefer Madness” marihuana campaign), but as exemplar of what hard-nosed repressive policies, not to mention his inspired leadership, could do.16

In contrast, the U.S. campaign to globalize anti-cocaine prohibitions, much less take it to the “source” in Peru, did not go very far--beyond a lot of spilled international ink. Other nations were frankly un-panicked or agnostic about cocaine, while American incentives to push them stayed low, given their lack of credible domestic cocaine threat by 1920. In the teens, U.S. diplomats like Hamilton Wright, acting almost unilaterally, had anti-cocaine clauses first written into the 1912-13 Hague Convention. Even as a passive non-member, the U.S. and American critics placed cocaine issues onto the agenda of the League-of-Nations’ Geneva drug conventions of the 1920s and 1930s, which, for example, convened a short-lived “Coca Committee” of 1934. The politics of coca’s inclusion are still murky and seemingly aped the logic and language of opiates (coca plant was to cocaine as poppy to morphine). The U.S., as the mobilized and principled crusader

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for drug controls, assumed the universalist stand that all abusable manufactured
drugs needed a global fix, which meant stemming raw-materials supply, which the
U.S. conveniently had no colonial stakes in. Big power politics also played a role.
Britain seconded this position, in part from concerns about cocaine scares in China
and its Indian colonies (an unknown episode), but in part to stymie stronger opiates
resolutions, knowing that Germany (the world’s largest cocaine and morphine
interest) would veto any encompassing controls. But the Germans, for a variety of
reasons, went along with the idea instead. The contradictory results, visible in
countless League of Nations reports and resolutions from the 1920s on, were
fictional big-power designs on cocaine–spotty statistics mandated and published,
abbreviated on-off discussions, American pleas for real action. Officials also
noticed from the start that Peru and other producers blatantly refused to sign onto
this paper system. By the 1920s, Bolivia spiritedly defended its indigenous coca
use in international forums; Peru did its best to ignore the League and international

the Dusters had been a genuine Manhattan “coke” gang, if thoroughly eliminated by 1920 (Luc

17 See Friman, “Germany and Transformation of Cocaine” (1999) or H. Richard Friman’s
comparative *NarcoDiplomacy: Exporting the U.S. War on Drugs* (Ithaca: Cornell University
Scholarly Resources, 1974) for big diplomacy; *Chemist and Druggist* (London), 1895-1910 for
India. For U.S. roles, see Arnold H. Taylor, *American Diplomacy and the Narcotics Trade*
(Durham: Duke University Press, 1969), chs. 2-4 and update by McAllister, *Drug Diplomacy*; on
League, see Opium Commission OC 153 (1923), OC 158 (1923) O.L.198.1934XI, Geneva, 2nd
Opium Conference, 1934. Peru’s (non)-relation to League and external prompts studied in
Archivo Histórico del Ministerio de Relaciones Exteriores del Perú (MRE, Lima), 1920-40s.
pronouncements on drugs. Weak and focused on opiates, however, the League did help de-legitimize cocaine in global ideological arenas, defined shrinking medicinal quotas, and inadvertently, sparked a shadow cocaine network—this time in Southeast Asia.

North American anti-cocainism filtered through a more diffuse cocaine world between 1910 and 1940. Two novel global cocaine chains burst onto the scene: the Dutch-Javan colonial link (for Europe through the 1920s) and later, a Japanese pan-Asian network (in the shadows of fictive League controls). Both mercantilist circuits took Peruvian producers, who thought coca their birthright, wholly by surprise, and for a two-decade interlude, 1920-1940, bypassed the Andes as world cocaine centers.

The Netherlands first experimented with coca in Java in the mid-1880s, but like others these colonial efforts went dormant. Yet suddenly after 1905, officially encouraged, the island sprouted dozens of modern hyper-productive coca plantations, and by 1912 more than 1,000 tons of Javan high-alkaloid leaf a year effectively wiped Andean coca from European ports. Amsterdam’s central state-sponsored “NCF” cocaine works (the Nederlandsche Cocainefabriek, which formed as German patents ran out on advanced cocaine-extraction methods) became the world’s dominant producer of the drug. After World War I, and a telling crisis of over-production, the NCF became a leg of now League-sanctioned
European cocaine supply and pricing syndicates. Yet, with poor prospects, and the pioneering Dutch commitment to ideals of international institutional cooperation (as in The Hague), the Netherlands voluntarily dismantled their cocaine empire in the late 1920s. Java still raised coca in the 1930s–even Merck N.J., wary of Peruvian leaf quality, invested in its own plantation there.  

As the Dutch role faded, the imperial sun of industrializing Japan took off–this time, in an Asian response to League and American norms. Japan planted its first colonial coca on Taiwan in 1916 and by the late 1920s, with leading national chemists like Jokichi Takamine at the helm, was making upwards of three tons of cocaine a year–i.e., half of official world medicinal needs. In 1917, in a fascinating jump across global commodity chains, Hoshi Pharmaceuticals purchased a massive tract in Peru’s Huallaga valley, near Tingo María, where it found raw material, and perhaps know-how, until they got expropriated in 1937. Some of Japan’s largest drug firms, exploiting military ties, forged this cocaine (and even weightier heroin) network, which peaked during the 1930s, supported by faked official drug statistics and retail markets across Asia, some involving evidently shadowy or coerced

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sales. From the start, Japanese cocaine raised alarm bells in the U.S. and League offices (and Narcotics sales later raised serious questions at the Tokyo War-Crimes Trials).

In this larger context, the American relation to Peruvian cocaine was changing. Yet, one falsely assumes that the U.S. easily or successfully “exported” a new drug policy upon Peru, which continued to make its quite legal cocaine and stood outside the new global drug regime (Peru also had dropped out of the League and rarely or barely acknowledged its anti-drug conventions). American diplomats expressed dismay at Peru’s willful neglect of Hague principles in 1912-14 and remained wary of Peruvian motives (“interests”) throughout the inter-war period. But rather than regard Peruvian cocaine as an imminent threat, these officials, soon joined by scrutinizing FBN agents, tried to learn more about it, or exchanged information (drug-control law or drug science) with their Peruvian counterparts. In 1931, Lima’s chief U.S. Consul mounted a detailed inspection tour of the Huánuco cocaine industry, and by the 1930s Washington likely had developed better drug surveillance in Peru—periodic “Reports on Coca,” interviews, news clippings--than

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Lima’s own government. There was also a vital working corporate intermediary: Maywood Chemical (and Coca-Cola officers) possessed their own personal network in Peru, and were happy to do the FBN’s or State’s bidding, in exchange for support from Washington for their open-door low-cost coca policy. That was one reason for lack of diplomatic pressure to limit or suppress coca. So sometimes such interests got tangled, but the U.S. was not yet a heavy meddler.

Where did this all leave Peru? Peruvian cocaine fell into an irreparable crisis from 1910 to 1940. This crisis expressed itself in many forms; some influenced from abroad but others of a decidedly national ilk. The legal cocaine network remained both depressed and an increasingly regional rather than national interest. Huánuco’s best industry reduced to a handful of operating or part-time workshops, and averaged less than a half-ton of yearly crude exports—some 5% of its peak in 1900, mainly to Germany, Britain and for a time Japan. Coca leaf, largely of Trujillo origin, had to vie with competing non-Peruvian brands, even in the U.S. marketplace. Business leadership passed from the persecuted Durand clan (on the wrong end of Peruvian politics in the 1920s) to one Andrés Avelino Soberón, a

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dedicated local merchant-manufacturer who searched long and hard for new market alternatives throughout the 1930s. Others briefly entered the field on the World War I price spike and the coming of the Second (as war drives up cocaine stocks), but everyone in Huánuco sensed the dim prospects ahead. Yet, contraband in Peruvian cocaine was not even rumor-worthy; a poorer cocaine industry remained legitimate, in both senses of the term.

Besides fewer buyers, the rising international regime affected Peru in varied ways. The Western world’s rising anti-Narcotics ideals were quickly heard about, and some of a “hygienic” nature adopted to fit local needs (moves against Chinese opium dens; Narcotics health codes in 1922; a regulatory structure for the cocaine industry, under Health Ministry auspices of the 1930s). Just as pro-cocaine science had before, modern anti-cocainism arrived in Peru mainly via medical and now addiction “science”—and curiously or not, focused on Indian coca chewing (for the true good of the natives, of course). Peru’s long national “coca debate” began, reversing the positive spin on coca since the 1860s. In the teens Dr. Hermilio Valdizán, the pioneering national psychiatrist, diagnosed coca as a cause of the

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Indians abject mental “alienation” and cultural “degeneration.” By the 1920s, this cause became further medicalized and politicalized–coca was a mass alkaloidal “poisoning” or “addiction” of Indians, a position advanced by pro-Indian elite “Indigenistas.” By the 1930s, a whole branch of Peruvian science evolved (led by doctors Luis Saenz and Carlos Gutiérrez Noriega), sometimes with encouragement and aid from the U.S., to prove coca’s adverse health and mental effects (in the next decade, the “Andean biology” of Carlos Monge and his group worked against this hypothesis). Modern cocaine (ab)use per se was not a problem–few Peruvians had ever touched it.

In fact, cocaine continued to be seen as a good thing, evoking serious calls to defend it. In the teens and twenties, varied reformers vaunted the need to modernize the crisis-ridden cocaine sector: scientific agriculture for improved coca crops, and upgraded refining into a modern chemical industry, to produce pure medicinal cocaine-hydrochlorides for profitable final markets. A new theme surfaced of needed state support–after all, this was still a quintessential Peruvian product–despite its world competitors and critics. One remarkable public health figure, Dr. Carlos Enrique Paz Soldán, combined all of these themes into a loud

nationalist campaign, from the late 1920s to early 1940s, heard from Washington to Geneva. In a dramatic reversal of American “supply-side” anti-drug logic, Paz Soldán argued that strictures on cocaine in the West had actually forced Perú’s excess coca into the nervous systems of Peruvian Indians. As an alternative to discriminatory League quota controls, he proposed a giant Peruvian state “Monopoly” to regulate, promote and modernize cocaine, one that would deploy its trading profits to wean suffering Indians from their coca-chewing pathology. This corporatist project sparked underground international maneuvers and mobilized national defenses of coca growers, as might befit the 1930s Depression. In this contested climate, American sway on Peruvian drug policy remained slight.

Overall, many legacies and paradoxes emerged from this transitional period, 1910-1940. The biggest and lasting change was the American transformation from a world coca promoter to a would-be global crusader against cocaine. Yet, for a country that vaunted from the start supply or externally based anti-drug strategies, the U.S. achieved greatest success in drying up cocaine use within its borders. On the outside, anti-cocaine ideas were spreading (mainly as a conflated lesser kin of

Narcotics) but were never taken too seriously by allies, the League, much less by actual producer countries. Paradoxically, these paper international sanctions coincided with the swift diversification of world cocaine networks to Java and Japan—though, such supply “ballooning” now seems the norm of drug repression. In Peru, the legacy was a growing schizophrenia between backward vile coca and discriminated modern cocaine, between nationalist alternatives and American designs, between regional hopes and the slim economic reality of legal cocaine, between mounting U.S. influences and Peru’s agnostic stance on dangerous drugs. Something had to give. But the largest global puzzle was this: the era that saw the greatest plurality of cocaine regimes and mentalities–including tolerated legal cocaine industries abroad--was actually the best for the U.S. in terms of cocaine as a volatile social problem.

**Global Prohibition to Illicit Cocaine (1940-1970s)**

The paradox—or not—of the following period, from the 1940s to the early 1970s start of our contemporary entanglement with Andean cocaine, is that the United States swiftly achieved its long-sought goal, a global cocaine-prohibitions regime, with near universal scope and consensus. Yet what followed was the most catastrophic American encounter ever with cocaine: the 1970s to 1980s *illicit* “coke” boom (through its Yuppies to Crack phases) and our Sisyphusian cycle of
hemispheric “drug wars” ever since. The causal links and chains here are surely
entangled and have much to do with the defining of cocaine’s new illicit sphere
over a transnational space.

In the long saga of American drugs, World War II marks a turning point.
Domestically, drug consumption of all kinds (save amphetamine) fell to record
lows, given disruptions of traditional supply bases, strict border surveillance and
the era’s tremendous social cohesion. In short, 1945 was a clean slate for drugs: a
“paradise” for law enforcement (Anslinger’s influence then at its peak) and a
personal hell for individuals out to find drugs or new drug cultures. That was to
change in the 1950s as heroin and other subcultures slowly took root in American
inner cities, as prescription tranquilizers conquered the new white suburbs, as
“LSD” escaped from secret CIA labs, and as (Italian) Mafia-like supply routes
sprang up around opiates, sparking more punitive and aggressive Congressional-
FBN drug laws (all with a modicum of memorable legal dissent). This edifice
would implode in the mid-1960s, when the so-called “drug culture”—a dramatic
and novel revival of the “American disease”—brought these repressive norms into
cultural relief and conflict.

In terms of American foreign drug policy, the post-war decades were also paradise found. This time around, the U.S. became the unchallenged guiding hand of a refurbished UN global drug regime of the late 1940s, now based in New York. The CND (Council on Narcotic Drugs) and related bodies, unlike the League’s former Opium Commissions, went well beyond big powers, taking pains to integrate rising “third-world” nations (like coca-producing Peru) into its American-inspired maximalist agenda. Raw materials limitation became the cornerstone, now aggressively pursued. Our mortal ideological foe—the Soviets and allies—took an even harder Leninist line against mind-altering drugs, Anslinger’s opportunistic misinformation to the contrary. So during the Cold War, the dream of a unified, comprehensive and universally compulsory drug regime was slowly hammered out by Washington, culminating in the still-regnant UN “Single Convention” of 1961.

Cocaine was still a sideshow: in fact in the U.S., old memories of popular coca were gone (so buried that Coca-Cola could officially deny its use ever), and “snow” (or its dearth) a nostalgic lament of ancient bluesmen. One brief domestic coke “scare” in 1949 deftly became another victory nail in the drug’s coffin. Musto suggests this hiatus proved ultimately harmful, as Americans retained no collective cultural memory of cocaine, or its perils, when it reappeared around
1970 as a prestigious and pricey sin.\footnote{Internationally, the slate had been spotlessly cleaned. 1945 marked the complete shutdown of any autonomous cocaine networks that had persisted before the war. The conflict demolished German, Japanese and Dutch Javan planter and pharmaceutical sources, and in each case U.S. Occupations laid down the law on cocaine and other drugs. The UN lowered licit quotas further (to under 2,000 kilos), and by 1947 the CND adopted coca-eradication itself as a high-profile project, beginning with its traveling 1948-50 “Commission of Enquiry on the Coca Leaf,” to win approval where it mattered, in the Andes itself. Signatories of the 1961 Single Convention–this includes Peru and Bolivia–pledged to fully eradicate the bush and Indian usage in “twenty-five years” (that would have been 1986, the year of Crack).}

Thus, by the late 1940s only one world cocaine “source” remained–Peru–and it faced a confident and focused U.S. alone. Indeed, the waning of Peruvian autonomy around drugs dates to the outbreak of the war, and beginning then it gets harder to separate the U.S. and Peruvian threads of the story, narratively or analytically. After 1939, many perspectives changed. Peru became a staunch Good-Neighbor ally and goods like cocaine “strategic” (though this one tacitly)

and closely surveilled. The whole notion of “illicit trades” assumed *us-vs.-them* militaristic tones, which blended easily into a later hemispheric discourse of war against drugs. Peru placed novel controls on its cocaine factories and shifted anti-Narcotics offices from national health to police agencies. Officials spoke of putting the whole business under state-monopoly control. Peru began late participation in League drug-control boards. The U.S., for its part, became blunter and blunter about cocaine, that is, finally started meddling, and in the post-war, police and technical cooperation around drugs began. In a first move to pressure Peru, the U.S. temporarily suspended coca imports.

These changes were felt down in the Huallaga valley, where the remnants of legal cocaine met their last stand in 1947-50. By then, the stakes in legal cocaine had sunk low. Andrés Soberón, the last producer of note, grasped the dismal market prospects ahead and under political pressure voluntarily closed shop in early 1949. In fact, the whole region was moving in a new direction: jungle “development”—abetted by the United States. Real roads finally reached a tiny Huallaga hamlet called Tingo María in the late 1930s; nearby *Hacendados* branched into tea and coffee (Peru’s coca had not replaced it after all.) The war-confiscated Japanese Tulumayo property was re-baptized as the Peruvian government’s “Official Colonization Zone,” to draw landless peasant cultivators down from the high Andes. In 1943, the Americans themselves entered this scene,
establishing the “Tingo María Tropical Agricultural Station,” a large model joint-aid program to bring alternative and strategic commercial crops to the jungle, and studiously ignoring the one already planted there. Under post-war Point-Four initiatives, its influence expanded, becoming the hemisphere’s premier tropical extension station.26

In 1948-49, under dramatic and supremely trans-national circumstances, cocaine finally became criminalized in Peru. Many factors and actors converged here, making the crackdown on cocaine an over-determined event. The well-publicized visit of the UN Coca Commission (which framed coca-leaf as a solvable international social as well as chemical problem) was largely welcomed by Peru’s governing and medical class (despite a dissenting Andean science “Réplica” about coca). Another UN expert mission worked specifically on narcotics control. The abrupt 1948 shift to a hardline pro-U.S. military regime of General Manuel Odría brought a classic war mentality to drugs: punitive narcotics codes, anti-cocaine congresses, formation of a national anti-Narcotics squad, a drive to establish a supervisory state coca/cocaine “monopoly” (ENACO of the 1950s and beyond) and the revocation by fiat of the last private cocaine factory licences. To top it off,

26 ARH, Prefectura, Leg. 33, #463, Soberón, “Inventario de Fábrica de Cocaína,” 1949; Peru, Acción Official en el Desarrollo Agropecuario de la Colonización de Tingo María (Lima, 1947); César Ferreyros, “Tingo María, Ciudad Adolescente,” El Comercio (Lima), all July 1949; US NA, RG 166 (Foreign Agricultural Service), Peru Survey/Agricultural Attaches, for data on this project from 1940 to early 60s.
came the dramatic mid-1949 revelation of a cocaine smuggling trail stretching from Huánuco to the streets of Harlem. The FBN-mobilized bust of the “Balerezo Gang” in July-September 1949 spectacularly put “Peru’s White Goddess” (as *Time* called it) on the front page of American papers. It was not spontaneous: U.S. customs and drug agents had devised an Andean anti-cocaine strategy the year before. Eighty-three arrests occurred along the primitive ship and trucking corridor connecting New York City and Huánuco’s jungle. Ex-legal factory people were among those arrested, with more to follow.²⁷ A remarkable 210 ounces of cocaine was the years’ haul in the U.S., but significantly now all of it was dubbed from “Peru.” Anslinger personally called to task Peru’s Ambassadors, but such tactics proved superfluous, as the operation was declared a triumph. The Generals moved in, blamed the local Left (APRA), locked up the last factories, and U.S. drug agents began concerted operations, training and assistance in Peru. Drug cops had crossed borders and both nationalities liked what they found. Thus ended seven decades of licit cocaine, and globally, the events of 1949 marked the full triumph of U.S.-led cocaine prohibitions system.

Aftermaths and Aftershocks

I will not belabor the irony that U.S. officials sincerely believed that the 1949 skirmish was the end of cocaine, period. In fact by definition it was the birth of illicit cocaine, which through a sinuous underground path starting in 1950 would by 1980 make 210 ounces, much less the 10 legal tons of yesteryear, seem like a pipedream. (By the early 1990s, the best estimates went to over 500-800 tons of cocaine on delivery to northern markets, an income stream surpassing 30 billion dollars, employing untold hundreds of thousands across the Andes, along entrenched networks far dispersed from coca’s birthplace in the Huallaga.) Incentives to produce got very big, whether one blames a misbegotten global system (those erected drug prohibitions), insatiable consumer demand (the American disease again) or exceptionally evil and/or entrepreneurial drug-runners (the newfangled Colombian “cartels”). Yet, a close reading suggests a surprising pattern for casual or interested observers of drug control: the return of cocaine as the socially menacing drug of the 1970s was a socially-unintended outcome of American drug-suppression action and policies since 1950.

There are some real connections, not just long cultural gaps. DEA-FBN archives reveal that we’ve actually been waging a secret war against illicit cocaine
that began in 1950, not in 1975 (when cocaine hit public radar) or 1985 (with the Republican escalation of the foreign drug wars). With no licit spaces or political options left, throughout the 1950s and 1960s aspiring cocaine-makers joined desperate peasants and both in time linked up with a new transnational class of Latin illicit traffickers. The kerosene-drenched jungle “pasta básica” of the 1960s looked suspiciously similar to Peru’s old “cocaína bruta,” and peasant lore cites those origins. Locales and supply routes shifted constantly, as dispersing U.S. agents frantically sought to damn the dikes at every turn. In this first stage, the “cat and mouse game” of the 1950s and 1960s brought out more dedicated, dispersed and professionalized networks of cocaine supply; in a second stage, the price and substitution incentives of the early 1970s would do the rest.

The geography of the “illicit” is traceable. It began with those busts in Huánuco—several key prisoners, including Soberón himself, had been respectable chemists and workers in legal business of cocaine (though rumors of older smalltime dealing exist too). By 1951, U.S. intelligence finds Soberón hoarding cocaine bricks in Huallaga hideouts and dispatching working “experts” and recipes

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off to Bolivia, which had never industrialized its indigenous coca-leaf. Networks rapidly extend in the early 1950s, with the Andes now officially tagged as contraband territory. Underground labs pop up in deep-jungle Pucalpa and along the porous Brazilian frontier, but above all, in Bolivia’s upland Cochabamba valley—a commercial hub above the Yungas, Bolivia’s traditional legal coca basket. Living through stateless social disarray after the 1952 Revolution, Bolivia now incubated illicit cocaine, with dozens of tiny labs mushrooming in and out of service, and scandals tarnishing the highest authorities. U.S. drug cops spent the decade chasing down Bolivians across borders, like the legendary female trafficker, Blanca Ibáñez Herrera, in league with eager Cuban couriers and backers. By the late 1950s, cocaine labs showed up in far-off Buenos Aires and Mexico, as well as Lima, and then back again in the Huallaga’s Tingo María and in remote downstream Uchiza. By the mid-1950s, far more elusive and efficient air transshipment hot spots from the eastern Andes erupt in Panama, Mexico, Brazil, Ecuador and Cuba. But by 1958, Batista’s Havana was the undisputed and cosmopolitan capital of budding tastes for cocaine and for inter-American

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30INTERPOL Reports (1950s-60s); NA RG170 (DEA) 0660 Peru and Bolivia, 1953-67; RG170, Box 54, “Inter-American Conferences,” 1959-66; NA RG 59 “Subject-Numeric” Files, Peru, Bolivia, Colombia, Panama, Cuba 1963-73; also DEA Library, “Vertical Files”—Andean Region, Illicit Traffic, Routes (1970s); UN, 28 Feb 1967 (TAO/LAT/72) “Report of UN Study Tour...of the Illicit Traffic in Coca Leaf and Cocaine in Latin America.” I am now onto an essay that documents this early war: Andrew Tully, The Secret War Against Dope (New York: Coward, McCann & Geoghegan, 1974), chs. 7, 13.
mobsters (both strongly associated with prostitution). This tourist mix of decadence was soon displaced by the Revolution.

By the early 1960s, U.S. and UN officials were in a quiet panic about cocaine’s illicit re-birth. Even public FBN (then BNDD) reports count annualized U.S. border seizures (a proxy of sorts for consumption) in mounting pounds, not ounces: 1960--6 pounds; 1963--15 pounds; 1967–26 pounds; 1969--52 pounds and in 1971, a whopping 436 pounds. In the early 1960s, INTERPOL tallies cocaine captured from seven Latin American supply points. In 1960, 1962 and 1964 the U.S. convened three major policing conferences for the region—under the cooperative guise of “Inter-American Consultative Group on the Problems of the Coca-leaf.” The U.S. was in fact anxious to rally Latin American police to tackle illicit cocaine, as well as to jump-start coca-eradication programs from UN illusion to working reality. A 1966 UN Study Tour zeroed in on clandestine Bolivian production, which had now settled in Santa Cruz and the Chaparé lowlands, but by now, cocaine was also returning in force to its birthplace, Peru.

Between 1970-73, illicit cocaine systematically breaks into U.S. markets: by 1973 domestic seizures quadrupled to 452 kilos (i.e., more than 1,000 pounds) involving some 1,590 cocaine-related arrests. The expensive drug first captures public imagination as a benign 1970s version of the old nervous “brain-workers” and “sex-workers” salve. Now these brainy-sexy types were glam rock-stars,
Hollywood elites, fun-bent stockbrokers and a jaded post-Nixonian middle-class revved up on the mounting beat of disco. Cocaine entered the mainstream: it had reemerged as the antithesis of the mellow, introspective and sometimes political “sixties” drug counter-culture. By 1973 some alarms go off: a Congressional mission moves to investigate the Latin cocaine connection; crash-course U.S. public-health studies begin; doctors and sociologists rediscover the lost texts and lessons of the cocaine “epidemic” of the 1890s. Few initially thought cocaine anything more than a new “soft-drug.” And U.S. officials in Lima begin to carefully monitor the situation: the last year of declassified reports (1973) conveys a clear sense of emergency, but also a sense of supreme American confidence and control. Given the right dose of aid (a local training program of just $28,000), this illicit bloom of Huallaga cocaine will quickly get nipped in the bud.  

Essential developments also occurred from below in Peru. In the 1950s and 1960s, the green Montaña districts of Huánuco-San Martín emerged as the fastest expanding rural zones in the country, as land-hungry peasants streamed down for promises of free parcels and new commercial crops. President Fernando Belaúnde

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(1963-68), the ambitious U.S.-backed “developmentalist,” trumpets the Central Selva as official policy: as the vast frontier (in “Peru’s own conquest”) and new heartland of Peru. Jungle roads accelerate into a national policy and colonization an alternative to an unsettling conflictive national land reform elsewhere. By the late 1960s, the old U.S. agrarian station had folded, superceded by Tingo María’s regional technical University, now the Huallaga’s most dynamic commercial pole. The leftist military regime of General Juan Velasco (1968) hoped to intensify the Peruvian state’s presence and services and at last broke the landed estates, but by 1972 the whole national experiment was collapsing in failure. Jungle regions and thousands of families of colonizing peasants were suddenly left to their own devices, stranded without even much in terms of traditional social authority. (In Bolivia, a parallel and coeval dynamic of public developmental-colonization projects also lay behind the rise of the Chaparé as the Andes second major illicit coca region.) Popular memory locates here the origin of the Huallaga Valley coca boom, as a return to a reliable staple when nothing else was marketable, amid dashed hopes of better lives. By 1974, local papers buzz with tales of a brash new class of local “Narcos,” based around Tingo.

This boundless region, rich with historic roots in coca and an abandoned stateless peasantry, spelled opportunity for whomever bothered to organize them, be they Colombians with Piper-Cubs and dollars from the mid-1970s, or Maoist guerrillas with guns, rules and protection-rackets to follow. Exceedingly weak Peruvian governments tolerated the trade, as Peru fell into two decades of unremitting political and social chaos, a crisis of state authority and popular subsistence comparable only to Peru’s breakdown with the War of the Pacific (which had bequeathed the legal cocaine industry a century before). The Huallaga—and its expanding coca fields—also lay well off of Lima’s highly preoccupied imagination, geographically and politically. So, it is easy to grasp how subsequent Peruvian administrations, such as they were, read drugs as an American “domestic” problem and foreign-policy obsession—a seemingly valid perspective, if only there were anyone up there to listen. The next time the Americans entered the Huallaga, in the mid-1980s, it was to their “Santa Marta” firebase, the beleaguered HQ for a hot regional war on cocaine. Coca cultivators hurried down into even more rugged frontiers; by 1992, Peru had some 129,000 hectares under this illicit crop—by then, its total criminal cocaine capacity surpassed 1,000 tons.

By the early 1970s, the cocaine trail led from the rolling green of the Huallaga and lowland Bolivia to coastal Chile, for processing and transshipments. That ended with an American-backed General there in 1973–finally shifting cocaine’s
current fate to Colombia in the mid-1970s. Colombia, a society itself unraveled by
decades of lawlessness and civil strife (aftermaths of *La Violencia* of the 1950s),
possessed vibrant pockets of entrepreneurs (in declining Medellín), a tradition of
coastal smuggling (of cigarettes and then marihuana to the U.S.) and a diaspora of
working emigres from Queens to Miami.\(^{33}\) Colombia had scant prior coca culture,
but ironically had been the Latin state most enamored of U.S.-drug crusades since
the 1930s.

The new cocaine market was, to a degree, politically constructed in the north,
and obeyed an iron law of drugs: suppression of softer stuff leads mainly to the
harder stuff. Richard Nixon’s politically-motivated early 1970s Mexican border-
war against bulky imported 1960s marihuana–how Nixon loathed the student
movement--and his opportune Hollywood-style crackdown on the post-war heroin
“French-Connection” helped push drug consumers to cocaine. So did the era’s no
longer credible official rhetoric on marihuana (if “grass” was all lies, what about

\(^{33}\)A sketch of origins is Jorge Orlando Melo, “The Drug Trade, Politics and the Economy: the
Colombian Experience,” in Elizabeth Joyce and Carlos Malamud eds., *Latin America and the
Multilateral Drug-Trade* (London: MacMillan, 1998), 63-96; also, Antonil [Anthony Henman],
*Mama Coca* (London: Hassle-Free Press, 1978) lives the shift; Francisco E. Thoumi, “Why the
Illegal Psychoactive Drugs Industry Grew in Colombia,” *Journal of InterAmerican Studies and
World Affairs* 34/3 (Fall 1992), 37-64; DEA Intelligence Division, “Worldwide Cocaine
indispensable. A keen eye on grass-root drug-war paradoxes is Jaime Malamud-Goti’s *Smoke
and Mirrors: The Paradoxes of the Drug Wars* (Boulder: Westview Press, 1992); at home,
Philippe Bourgois, *In Search of Respect: Selling Crack in El Barrio* (Cambridge: Cambridge
University Press, 1995).
“coke”), along with users desperately seeking substitutes for heroin (methadone clinics became an early locus of cocaine use) and to amphetamines on the street (as “speed” killed). Many thus embraced cocaine as a harmless or “soft” pleasure drug. And given the squeeze on other drug imports and routes, one hardly needed a compass to figure out that drug futures lay in high-cost, low-weight, easily-concealed cocaine through a booming “Latin” South Florida. By the late 1970s, the Colombian groups controlled key processing and distribution points of illicit cocaine, bringing an un-heard-of wholesale entrepot mentality to the trade, for example, the use of cargo jets filled with cocaine. The cocaine glitteratti arrived, soon reflected from below by epidemics of illicit-drug violence, a trail of blood, mayhem and profit from the south Bronx to Medellín. All were socially instrumental in coke’s later upgrade from soft to “hard-drug” status–but also, inevitably, cocaine’s downgraded racial and class prestige. The new U.S. “DAWN” medical warning network helplessly watched the coming flood. Cocaine consumption grew by leaps and bounds to the 1980s, and the innovating Colombians, and busy Peruvian and Bolivian peasants, kept up with or ahead of demand.

The rest, one supposes, is “history.” The roaring Reagan-Bush eighties became the century’s great cocaine decade. It shared cultural affinities to superficial get-rich cocaine at the top (greed and excess being “in” again), and from below, the
dreaded and racist explosion of retail crack cocaine attended its deep social
inequalities. Scandals over “crack-babies” (since then much in doubt), militaristic
drug-testing on the home front, Nancy’s never-never land of “just say no,” harshly
discriminatory crack sentencing, “Andean Initiative” photo-ops, and ritual
certification of good and bad drug-allies abroad did not stem the use nor the flow.
With cocaine, the shifting balloon effect of illicit drugs continues, given the drug’s
spectacular mobility and profit margins (i.e., $100 of peasant coca eventually lends
itself to a northern “street-values” of $250,000-$1 million), so far only within Latin
America. The U.S. war-concept of the 1980s backfired: meant to raise costs for
prospective drug users, in fact between 1980 and 1988 the wholesale price of
cocaine actually dropped from $60,000 to $10,000 a kilo (given the risk premium,
suppliers over-invested in this crop), making cocaine dramatically available to the
masses. When in the early 1980s, U.S. officials moved to cut the Medellín-
Miami channel, Cali and northern Mexican drug-lords became the nouveau-riche
interlocutors, and considerably tougher targets, both geographically and politically.

The escalating U.S. war on drugs of the late 1980s brought endless new
frontiers and militarized front lines of coca by 1990. In the mid-1990s, a new

34 From David T. Courtwright, Violent Land: Single Men and Social Disorder from the Frontier
This price logic might dispel the popular urge for demonic “CIA” conspiracies on the rise of
crack, though one needs another leap of faith to grasp the remarkable stupidity of policies that
fueled it.
strong-armed Peruvian state of Alberto Fujimori reasserted itself and bore down especially on the Huallaga valley, now substantially reducing Peru’s coca and cocaine paste exports. There, coca prices plummeted, risks shifted again and exhausted yet sensible Huallaga peasants switched sides, to a renewed Peruvian state. Thus an increasingly authoritarian Peru became one of the good U.S. allies. So, peasants in stateless guerrilla-run southeastern Colombia fast learned coca-cocaine culture (and even diversified into high-potency heroin) and this region has emerged as the Americas’ integrated drug platform, which we are about to wage war on.³⁵ Cocaine remains a quite buoyant drug in the U.S.--and now far beyond--though thankfully African-American crack use has fallen in recent years (for unforeseen demographic and social reasons), with heroin on a predictable rebound. An entire generation of young black men has experienced prison rather than say, decent education and jobs, on the cross of our draconian cocaine laws. But U.S. drug crusaders, as since 1910, continue to interpret these turns as “successes” and

³⁵ Cotler, *Drogas y política*, ch 4, esp. Table 6: Peru’s coca crop fell by 43% in the 1990s, (by 1999, DEA claims reduction by 2/3s); Bolivia’s crop also drops, while the Colombian share jumped 98%--with further Colombian “Ratcheting Up” (DEA phraseology) in the late 1990s. F. Thoumi offered the thesis of “statelessness” as conducive to coca culture, in Peru, doubly so given the coeval rise and fall of Sendero Luminoso which thrived on similar grounds. An intrepid young Columbia University anthropologist, Richard Kerrighan, has followed the 1990s Huallaga state-reassertion on the ground. Luis Astorga, “Cocaine in Mexico: a Prelude to ‘los Narcos’” ch. 9 in Gootenberg, *Cocaine: Global Histories* (1999); Larry Rohter, “A Web of Drugs and Strife in Colombia,” *New York Times*, 21 April 2000; predictably, Colombian coca is also of growing potency, and employs better extraction methods.
slow progress, as the proverbial light in the tunnel. 36 Ironically back in the Andes, the new hard-line stance against criminal cocaine has come during an era of softer, friendlier views of coca per-se, at least among the intellectual set. This is now viewed as the “Indigenous” symbol of cultural survival, worth hawking again as a curative world-herb like Korean Ginseng or Micronesian Kava (the UN Single Convention still prohibits this).

The legacies and paradoxes of this era flow into our historical present, and if allowed to, might actually speak for themselves. The “illicit” in global cocaine went from nil to ounces of Andean “coke” to pounds and, under pressure ran up to what is now measured routinely in hundreds of tons annually. The greatest puzzle still bears mention: North-American drug policy, driven by demon cocaine, is still fought by Generals with military metaphors and tactics against a “foreign” enemy, as if all were impervious to rational analysis and a century of failures and domestic social harm. A feisty Peruvian sociologist has already summed up this essay well. Illicit drugs—as shown by this deeply historical U.S.-Peruvian nexus between coca

and cocaine—“weave a mess of contradictory actors and interests, legal and illegal, international and national, public and private...”[37] The messy contradictions go way back are not about to end.

[37] Cotler, Drogas y política en el Perú, 263. Even our public guardians could profit from a slew of recent books laying out the basic problem: Mike Gray, Drug Crazy: How we got into this mess and how we can get out (New York: Random House, 1998); E. Bertram, M. Blackman et.al., Drug War Politics: The Price of Denial (Berkeley: University of California Press, 1996); Dan Baum, Smoke and Mirrors: The War on Drugs and the Politics of Failure (New York: Little, Brown & Co., 1996); and forgiving the mis-reading of Nixon’s role, Michael Massing, The Fix (New York: Simon & Schuster, 1998)--not to mention similar waves of medical-legal critiques offered and then officially ignored during the 1920s, 1950s and 1970s.
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I want to thank Paul Gootenberg for the invitation to comment on his paper and Joseph S. Tulchin, Director of the Latin American Program of the Wilson Center for helping make possible my visit here to Washington.

*Cocaine: Global Histories*, the book edited last year by Paul Gootenberg, places in a historical perspective the production and international commercialization of coca and cocaine since the nineteenth century. It puts at the forefront of analysis the long-term change in perception suffered by these products: from one of high international prestige to becoming condemned and ultimately prohibited by the international community. Now, in this paper, the author presents us with another ambitious analysis of how specifically U.S.-Peruvian relations became established around coca and cocaine. This new research adds to the valuable contributions that he has made generally in Peruvian historiography and for that matter to Latin American history at large.

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38This section is an edited transcript of remarks given at the Wilson Center on 11 May 2000.
These types of studies have the virtue of reminding us that so-called “globalization” is a long-term result of phenomena rooted in the development of capitalism itself. Furthermore, relations between the United States and the other countries of the Western Hemisphere have been marked historically by conflicting interests, which in some cases at least have been favorably managed by the weaker governments. This last idea is in itself an important contribution, since it questions some of the simplistic approaches rooted in dependency perspectives that so dominated Latin-American social thought during the 1960s and 1970s.\textsuperscript{39}

In a similar vein, I would like to add some comments regarding the development of U.S.-Peruvian political relations in the last two decades that were deeply influenced by coca and cocaine. This draws upon the extensive analysis in my recent book \textit{Drogas y política en el Perú: la conexión norteamericana}\textsuperscript{40} (in English: \textit{Drugs and Politics in Peru: the North-American Connection}).

In the late 1950s, I had the chance opportunity to chat with three Cuban drug dealers who found themselves in prison in Peru. They explained to me that they landed in jail because they did not have--as the Batista cronies did--any U.S.

\textsuperscript{39} This theme of weak states confounding imperial ones was fundamental to one of Paul Gootenberg’s first book, \textit{Tejidos y harina, corazones y mentes: El imperialismo norteamericano del libre comercio en el Perú 1825-1840} (Lima: Instituto de Estudios Peruanos, 1989).

\textsuperscript{40} (Lima: Instituto de Estudios Peruanos, 1999).
officials backing them, and by extension that no Peruvian authorities would help
them either, due to Lima’s political alliance with Washington.

These drug dealers’ perceptions—whether or not a true or fanciful story—add to
the conception of drugs as like any other commodity placed in the market.
Different interested groups or interest groups will surround them, be they private or
public, legal or illegal, at the domestic as well as international levels. This notion
was around well before the vocabulary of “globalization” invaded our political
discourse.

The memory of this conclusion came back to me in 1990 when Alberto
Fujimori was first elected president in Peru. At that time, a tense political situation
emerged with the U.S., mainly because the Peruvian executive and military held
different priorities and proposed differing solutions to national problems--
particularly the way to handle the growing illicit drug trade.

Prior to the Fujimori regime, the U.S. had not been able to much influence
Peruvian politics, given his predecessor Alan García’s nationalistic posture
towards Washington and the multilateral organizations, which ended with his stark
international isolation. The populist agenda pursued by the García administration
(1985-1990) unleashed an economic crisis that only led into a cycle of
hyperinflation. Furthermore, subversive movements (principally, maoist Sendero
Luminoso and their rival the MRTA) continued to grow, due to the military’s
deficient anti-terrorist strategy, one rooted in the systematic repression and violation of human rights. These two conditions contributed to the sustained growth of illegal coca production in Peru during the 1980s, which allowed the country to become the world’s largest supplier of coca paste to the Colombian dealers, who of course, produced the cocaine for final sale in the United States.

The hyperinflation process, the subversive movements, and illegal drug production combined to weaken Peru’s state apparatus and led to the continuing expansion of illicit and informal actors and modes of behavior. By 1992, General (r.) William E. Odom wrote a report to the Hudson Institute in which he claimed that “for all practical purposes the State does not exist in Peru.”[41] The U.S. government harbored real fears that Peru’s government might totally disintegrate.

In this context, the economic and political crisis inherited by Fujimori allowed Washington to exert important leverage. It became clear to Washington that economic improvements and effective law enforcement were the necessary conditions for reestablishing order in Peru, and preconditions as well for control and reduction of the production and trade of illegal drugs.

Washington and other powers succeeded in convincing Fujimori (against his campaign promises) to apply the recommendations of the so-called “Washington

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Consensus,” that is to say to implement an economic program characterized by a harsh stabilization component as well as a larger package of structural economic change. Moreover, Washington urged Peru to combine this “neo-liberal” economic program with a shift in military strategy that emphasized intelligence activities, to efficiently combat both political subversion and the drug trade.

In this scenario, Washington put pressure on Peru to adopt certain policies and fight the drug trade. It made Bush administration guidelines a *condition* for receiving badly needed U.S. economic, political and military aid, indispensable for the problems of hyperinflation and subversion. Notwithstanding the urgency for full American support, the Fujimori administration did not follow the North-American strategy for fighting the coca peasants. Their refusal was based on the probability that their strategy would cement an alliance among small coca-producers and subversive forces, and thus worsen the military conflict (as is observable today in Colombia).

The American government had to grudgingly accept this reluctance. It had a special interest in addressing Peruvian dilemmas; though Peru is of modest economic and political importance, drugs and guerrillas were seen as wider and more critical regional problems. So, paradoxically, these weak circumstances gave the Peruvian government the possibility to press Washington to accept its position and, furthermore, to receive some special attention.
The personal involvement of Hernando de Soto$^{[42]}$ in the negotiations with Washington made it possible for the White House to grudgingly accept the Peruvian position. This was because of the influence that de Soto had won throughout Latin America and even within the U.S. with his liberal-market vision—actually quoted during a Reagan/Bush State-of-the-Union address. De Soto had confidence that rather than repression, developing a new legal-economic infrastructure for coca peasants would reduce production of coca and work to isolate peasants from the terrorist movements.

On the other hand, the longstanding relationship between Vladimir Montesinos—Fujimori’s trusted and secretive presidential aide--and the American intelligence “community” (i.e., the CIA) favored understandings between Peruvian military officers and both the American military and the DEA (U.S. Drug Enforcement Administration).

The successful payoff of these relations was soon clear enough. Peru’s macro-economic rebound of the early-1990s reinforced ties between Fujimori and overseas private and public financial institutions. The weakening of the subversive movements—climaxed by the capture of Abimael Gúzman himself in September 1992—left would-be Narcos without protection and facilitated their prosecution.

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$^{42}$ Hernando De Soto, gadfly author of the influential “libertarian” book, *The Other Path (US ed., 1989)* and head of the Institute for Democracy and Liberty (IDL) in Lima, a well-know think-tank, supported by the U.S.
This outcome also strengthened the links between Peruvian and American militaries, and has allowed Montesinos to consolidate his privileged position within both the Peruvian military and the civil government.

For his ability to restore the country’s governability, Fujimori was exalted by Washington, Wall Street and the multilateral organizations, and was even touted as a symbol or hope of what all Latin American presidents might get done. In this way, Fujimori proved able to multiply the support of strategic economic, political and military institutions, national and international, and also aroused support from different social actors in Peru for the recuperation of waning state authority. All the while, only the discredited leaders of the traditional political parties struggled against Fujimori’s anti-democratic behavior and criticized the systematic human-rights violations of the military. Fujimori rejected all offers of such leaders for political negotiations. Fujimori and Montesinos, the strong man of the armed forces, believed that participation of other political forces in decision-making would endanger Peru’s economic program, and anti-subversive and anti-drug campaigns, and get in the way of asserting governability. This context helps explain how Fujimori was capable--in April of 1992--of overthrowing the elected Congress and instituting a so-called “soft” dictatorship (*dictablanda*).

The State Department and White House reacted against the anti-constitutional acts and goals of the Peruvian military, as well as those by governments of Bolivia,
Brazil and Guatemala, that all seemed intent on destroying democratic procedures in the name of governance. It seems that the some general confrontation occurred within the U.S. administration itself, between those officials working to foster human rights and democracy overseas and those military and intelligence agents willing to subordinate these principles to create order--without law--in Peru.

Although Fujimori enjoyed transnational support from financial and military institutions, it was mainly his base of domestic support that allowed him to manipulate American designs. Later, through successive fraudulent electoral processes and his grip over of a new Congress, Judiciary and electoral bodies, Fujimori laid the foundations of the authoritarian regime that still rules Peru today. Thus, Peru’s so-called “illiberal democracy” of the 1990s was able to install itself because of a mixed internal and external support base for a civil-military regime.

Nevertheless, Washington--specifically the State Department and the U.S. Congress--and many private organizations continually criticized Peru’s ongoing systematic violations of human rights. Furthermore, the Peruvian government was assailed for their tepid interest in fighting the illicit trade of coca and cocaine, as well as for suspected military involvement in such illegal trades.

To offset such criticisms, build political alliances and win support of crucial North American politicians, the Peruvian government soon expanded the authority of the armed forces, and of the military judicial system, in the struggle against the
drug trade. This militarization strategy proved successful in dampening the influence of the drug trade, but it also deepened military involvements in Peruvian society and politics.

Since 1994, military agreements with Washington to intercept cocaine exporting air flights have led to systematic reductions of coca cultivation in Peru (as well as the dramatic shift of coca-production to Colombia itself). Once again, the US government officially hailed Fujimori for his concerted and effective fight against the drug trade. This development—along with a U.S.-brokered and pressured treaty with Ecuador that settled a long-seething border situation—helped Fujimori polish his image as a maker of government authority, all to the benefit of his international credibility.

Nevertheless, government successes were obtained through an illegal concentration of power in Fujimori and through the growing autonomy of Montesinos as chief of the intelligence services and the armed forces. Such a combination left no room for government accountability and fostered the development of crony-ism and clientelism—social traits supposedly dissolved in a “free-market” society.

In short, the overwhelming subordination of Peru’s judicial, civil and military power to the personal interests of Fujimori and Montesinos; the repression and blackmail against the political opposition; the censorship exercised by intelligence
services over the news media, especially television; the use of state agencies (with multilateral funds for anti-poverty programs) for favoring the governing bloc, all have helped Fujimori and Montesinos to amass evermore discretionary powers and an arbitrary disregard for law enforcement. This pattern goes against the long-term interests of civil society and its legal and policing institutions, including the fight against drugs, which requires strong respect for law. Fujimori implemented the dictum attributed to Porfirio Diaz in turn-of-century Mexico: “to my friends everything, to my enemies the law.” In this way, the deft handling of foreign economic, political and military resources has enabled Fujimori, Montesinos and the military to forge an unprecedented level of political and state autonomy—to promote, indefinitely, their own power in Peru.

Nevertheless, such practices have come under increasing fire from different transnational actors. The intense unease of certain American officials with this outcome continues on, since Fujimori could undermine all past successes as well as encourage other countries to follow the same anti-democratic path, the path of so-called “authoritarian liberalism.”

Such uneasiness was felt when Fujimori, through illegal mechanisms and electoral fraud, once again attempted his re-election on April 9th of this year [2000] against Peru’s constitutional term-limit precepts. On this occasion, in league with massive domestic protests, the State Department, the White House and the
American Congress opened an unexpected campaign against electoral fraud in Peru. This movement even was seconded by the reigning U.S. “drug-czar” General (r) Barry McCaffrey, the OAS, the European Union and by a few Latin American governments. Furthermore, a surprising crusade by the international press helped discredit the Peruvian regime by widely exposing Fujimori’s current pattern of fraud and political intimidation.

Altogether, Peru’s political mobilizations and the international response forced the government to call for a second electoral round in May of this year. The new principles were fair competition and electoral transparency; however, government behavior was soon blasted by contrary reports from a range of electoral observers, included the Carter Center, the National Democratic Institute and the OAS electoral mission led by Eduardo Stein. Even private banks and public international financial institutions (IMF, WB, IDB etc.) worry about the fallout of the weak legitimacy of a ongoing Fujimori administration. Such reactions surprised Peruvian officials and led government spokesmen to claim that new external pressures constituted an inadmissible intervention in Peru’s domestic affairs. Peru, they surmised, faced a global conspiracy of “neo-colonial” powers trying to impose their Western and liberal values.

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However, military support was thrown to Fujimori after the questionable results of the second electoral round (the lead opposition candidate, Francisco Toledo, halted his campaign after realizing the high odds of official fraud). Moreover, the conclusions and recommendations of the OAS mission--to disqualify these elections--received faint backing from major Latin American governments, thus the relative isolation of the American position along with Peru’s fragmented democratic forces. Now, the question is whether this situation will produce in the near future a new and sharper crisis in Peruvian international relations and political instability; one that ultimately might aggravate the difficult economic situation of the Andean countries, and thus re-stimulate drug production?

My main conclusion is that even given Peru’s quite modest economic and political weight, the government has been able to manipulate well the national and international sphere to help in the consolidation of an authoritarian regime. The economic linkage between American strategy in their “war on drugs”--taken as a pill for Peruvian economic ills--helped the armed forces take a decisive role in the Fujimori government and helped that regime forge national and international alliances that supported its authoritarian direction. These political resources have allowed the Peruvian government both to repress national democratic forces and to obtain a high degree of autonomy from the external political pressures. But this
could bring on a new round of economic and social instability in the twenty-first century, in the interests of neither Peru nor the United States.
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