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**UNITED STATES DRUG POLICY
TOWARD LATIN AMERICA**

The Report of the Inter-American Commission
on Drug Policy

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UNITED STATES DRUG POLICY IN LATIN AMERICA:
REPORT OF THE INTER-AMERICAN COMMISSION ON DRUG POLICY

INTRODUCTION

On 11 June 1991, the Inter-American Commission on Drug Policy released in Washington, D.C., a report, "Seizing Opportunities: Report of the Inter-American Commission on Drug Policy." The report, which was critical of U.S. and Latin American antidrug efforts, was the work of the highest-level private policy group ever to consider an overall strategy for the hemispheric struggle against illicit narcotics. That same day, the Latin American Program, launching a major inter-American tour to publicize the commission's work, sponsored a seminar on the report's findings.

The report was produced by experts from Bolivia, Canada, Colombia, Mexico, Peru, and the United States who have had significant responsibility for national drug policies. They also had extensive practical experience in confronting drug problems, ranging from agriculture, rehabilitation, and education to law enforcement, academia, and government. Bolivia's recent minister of agriculture, Peru's former foreign minister, and the first U.S. assistant secretary of state for international narcotics matters were among the commissioners.

The report calls for a major reallocation of public resources, not for increased expenditures by governments of the Western Hemisphere. It recommends funding programs that have proven to be effective, namely those that reduce demand, treat victims of drug abuse, strengthen street-level enforcement, and directly attack the criminal networks that produce

and traffic in drugs. The commission also advocates redeploying resources away from anti-narcotic strategies that do not work, particularly interdiction of drug shipments in U.S. border areas, current income support for Andean farmers in coca-growing regions, and militarization of the drug war.

The Latin American Program's afternoon seminar was cosponsored by the Center for Iberian and Latin American Studies at the University of California, San Diego, and the Institute of the Americas. Peter H. Smith, director of the center, provided a background introduction. Ambassador Paul H. Boeker, president of the institute, then discussed the report's policy recommendations. Melvyn Levitsky, Assistant Secretary of State for International Narcotics Matters, and Mark Kleiman, a fellow and lecturer in public policy at Harvard University's Center for International Affairs and author of the forthcoming book, Choosing a Drug Problem, provided their reactions to the report and participated subsequently in the lively discussion. Two additional commentators with extensive experience in the field--Senator Hugo Margáin, twice Mexican ambassador to the United States, and Naya Arbiter, a juvenile addiction treatment expert and director of Amity, Inc. (Tucson, Arizona)--also provided their insights during the discussion period.

The commission's report calls for five major policy changes. The following is an excerpt of those recommendations:

1. Terminate or reduce programs that are ineffective and counterproductive.

Significantly reduce funding for interdiction of drug supplies in U.S. border areas, since this has little effect on retail prices and the availability of illicit drugs in the U.S. market; in fact, in interdiction may have the unintended consequence of eliciting still more production, thus increasing problems for Latin America.

Halt efforts to persuade or coerce Latin American governments into expanding the use of military forces against processors, traffickers, and growers; militarization tends to increase violence and human rights abuses, and, in the long run, can endanger the stability of civilian rule in fragile democracies.

Terminate support for existing programs, such as that in Bolivia, which pay farmers for acreage withdrawn from the production of coca leaf; in effect, these programs provide income supports for coca growers and give them a reason to stay in the business.

Stop advocating the use of herbicidal spraying as a primary strategy for eradicating coca leaf production, since this technique entails environmental risk and provokes political opposition to antidrug policies in general.

Eliminate the U.S. legal requirement for certification of antidrug programs of other countries throughout the region; this process is demeaning and counterproductive, and it weakens political support for hemispheric cooperation.

2. Concentrate international law enforcement efforts on the disruption of criminal processing and trafficking networks, as opposed to seizures of drug shipments.

The Andean countries should, in consultation with the United States, develop a long-term strategy for countering cocaine trafficking organizations and create a permanent group to monitor its implementation. This consultative group could be built around the current Andean "Rodrigo Lara Bonilla" accord, and could eventually lead to coordination of law-enforcement campaigns. Representatives from Europe and Japan, along with the United States, should be regular members of this group.

The Organization of American States (OAS) should assume an expanded role in strengthening the judicial systems of the hemisphere--by guiding the efforts of governments with legal analysis and model legislation, and by supporting regional commissions of jurists to consider such crucial issues as the status and security of judges.

Remanding of indicted drug traffickers from one country to another should be carried out in strict accordance with existing extradition treaties and intergovernmental agreements; violation of these provisions weakens political support for multilateral cooperation and international law-enforcement efforts.

All countries should tighten purchasing regulations and export licensing for weapons and firearms, to reduce the flow of arms to drug trafficking organizations.

All countries should require export licensing of the major precursor chemicals employed in the production of illicit drugs.

All countries should adopt the recommendations of the Financial Action Task Force as the most effective implementation of their general obligation under the United Nations 1988 Vienna Convention to take action against money laundering.

3. Launch a cooperative and integrated effort throughout the Americas to reduce consumer demand for illicit drugs.

All countries should provide drug treatment in all penal systems.

All countries should target for counseling and treatment drug-using women of child-bearing age, who bear the risk of contracting and spreading AIDS and giving birth to drug-impaired infants.

All countries should develop publicly funded programs for youth with drug problems, especially those who have dropped out of school.

All countries should provide education, counseling, and other prevention programs in all elementary and secondary schools, in community organizations, and in the workplace.

The United States should provide adequate drug treatment for all those who need it, with long-term commitments for substantial federal as well as state and local contributions.

The United States should promote ongoing communication and exchange programs between U.S. drug treatment professionals and their counterparts in Latin America, including those supported by nongovernmental organizations.

The United States should train specialists in international assistance organizations (such as the Peace Corps, the United States Agency for International Development [AID], and the OAS) in order to make available to Latin American countries technical assistance in the integration of education, prevention, and drug treatment with broad social-service programs, especially for abandoned children and adolescents.

4. Create alternative economic strategies to curtail coca growing in the Andean countries, especially Bolivia and Peru.

Create a South American strategy for reducing coca leaf production based primarily on economic disruption of the market through

accelerated demand reduction in all countries, and on enforcement campaigns against trafficking groups and processing centers, thus lowering the price of coca leaf and encouraging farmers to seek licit economic activities.

Concentrate efforts in the United States Andean strategy toward the promotion of rural development, including agricultural infrastructure in the most promising regions, rather than on crop eradication or on existing compensation programs.

Create multidonor funds for rural development in Bolivia and Peru to exploit the best opportunities to generate licit rural employment and growth wherever these opportunities might be.

Extend U.S. trade preferences beyond initial provisions in the U.S. Andean Trade Preferences Act.

5. Encourage Latin American countries to mobilize additional resources for their own antidrug programs and provide an incentive for the allocation of more resources for treatment, education, and prevention in Latin America.

The United States and Latin American countries (starting with the Andean countries and Mexico) should reach a multilateral accord under which they all commit to take the domestic legal and administrative action necessary to confiscate and monetize the

financial and physical assets seized from drug traffickers and to dedicate the entire proceeds to antidrug programs.

A second provision of such an accord should be agreement of all signatories to contribute an agreed-upon portion of such seized assets to a hemispheric fund for regional and national programs of drug rehabilitation, habilitation, prevention, and education in participant countries. The fund could become part of the Organization of American States if most of its members choose to join.

The U.S. now monetizes over \$1 billion annually in assets forfeited by drug traffickers; Colombia and Mexico could each seize at least \$100 million in assets and cash. An agreement to dedicate approximately 10 percent of all these assets to treatment, education, and prevention programs in Latin America would represent a major infusion for these programs.

Further research should be conducted on effective methods for prevention of illicit drug abuse and for the habilitation of victims among the people of the Americas, especially street children; this research should focus on drug-related AIDS as well as on substance abuse itself.

Research should be conducted on effective means to alleviate the social conditions within inner cities, in both the United States and

Latin America, that draw young people into informal economics, illicit activities, and involvement with drugs.

Feasibility studies should continue to be made of forms and prospects for alternative rural development.

Copies of the report may be obtained by calling the Institute for the Americas at (619) 453-5560, or writing:

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This project began with the simple perception that drug abuse and drug trafficking present continuing and extremely difficult policy problems for the countries of this hemisphere. The United States government declared a war on drugs some time ago, but drug trafficking continues. The number of babies born addicted to crack grows, and drug violence continues to increase in inner cities. Production of and trafficking in illegal drugs pose continuing threats to governance in Latin America, not only in Colombia, but also in Peru and elsewhere.

As we have also noted in our own researches for this project, consumption is beginning to rise in Latin America, as well as in other parts of the world. Thus, the problem is not simply a matter of production in Latin America and consumption in the United States. Indeed, the United States is, itself, one of the world's largest producers of marijuana, not to mention methamphetamine and other dangerous drugs. This is not a simple problem, and in many ways, it is getting more and more complex.

The question is what to do. Some years ago, Ambassador Hugo Margáin and I worked on a U.S.-Mexico commission that produced a report with a clear-headed chapter on problems in narcotics and the drug trade that affected U.S.-Mexican relations. We issued a number of

recommendations, all of which underlay the good spirit now prevailing between the two governments. But we also had to recognize that we could solve the U.S.-Mexico drug problem, and we could resolve the Mexico drug problem--but in doing so we would not necessarily resolve the U.S. drug problem; in fact, we would not necessarily resolve the Latin American drug problem. Indeed, we could even make it worse by simply transferring what goes on in Mexico to some other country.

Based on that experience, we turned toward a hemispheric strategy together with Paul Boeker and the Institute of the Americas and created the Inter-American Commission on Drug Policy, which has members and representatives from Canada, the United States, Mexico, Colombia, Peru, and Bolivia. We consulted widely with representatives of other Latin American countries--Brazil and Argentina--as well as with representatives from Europe and Japan.

Our basic position is that no country alone can solve the drug problem. Every country has a stake in every other country's capacity to curtail drug consumption and trafficking within its borders. Our further perception is that trafficking in drugs is driven by consumer demand and that the largest degree of consumer demand is within the United States. The North American appetite for drugs is both the key to the problem and the basis for progress.

We note in our report that, according to the National Institute on Drug Abuse surveys, the estimated number of regular users--people who have used illicit drugs within the last month--has declined by half since

1985. Why is that so? Our judgment is that it comes about largely because of an increased awareness--as a result of education programs--of the health hazards that drugs pose and in reaction to both the violence that has been surging in our inner cities and the disintegration of communities.

We see little evidence that increased allocation of funding for interdiction of drugs at the borders has accounted for this decline in demand in the United States (our report shows the average street-level price of cocaine in the United States has remained quite stable throughout the 1980s, notwithstanding increased expenditures for interdiction). The reason for this is that the price of drugs at the U.S. border is simply such a small part of the final street price that it has little effect on that price. Interdicted drugs are easily replaced in Latin America by increased production. Other figures show that the greater the degree of eradication and/or interdiction, the greater the degree of production. Basically, the volume of drugs available for the U.S. market has tended to remain the same.

Despite seeing signs of some decline in drug use, primarily within the middle class, it is not clear that we have begun, as a society, to meet the challenge of drug abuse in the inner cities among hard-core addictive users, many of whom are now somewhere in the U.S. criminal justice system. Demand reduction strategies, which are underfunded, must become a higher priority for U.S. policy and for the policy of countries throughout the hemisphere. We now have approximately one-third of the placement slots needed for therapy that the U.S. Office of National Drug Control Strategy says would be appropriate. Less than 10 percent of our

federal prisons have residential treatment programs today. This is simply not a strong enough approach to the problem of demand.

The greatest contribution the United States could make to the amelioration of the drug problems--not only in this country but also in Latin America, given the attendant problems and challenges that these countries face from participation in the drug trade--would be to continue the promotion, acceleration, and intensification of programs designed to reduce the demand for drugs in the United States. This is probably the single most important recommendation that our commission makes.

PAUL H. BOEKER
President
Institute of the Americas

The core idea of the Andean strategy is a good one, but it is not yet well enough organized and conceived to achieve its objectives. Much of that conceiving and organizing needs to be done by the Andean countries themselves; there is a real limit to what the United States can do for them. But one has to start by withdrawing some support from programs that simply are not working. The report discusses Bolivia's effort to develop a soft, voluntary coca leaf substitution program, which we think has had a zero-to-negative effect. The program, as designed by the Bolivians, pays a coca leaf grower \$2,000 for each acre he agrees to take out of production under the program. It is perilous not to recognize that this is going to increase the welfare of those who are growing coca. We are convinced that what has happened is even worse. The Bolivian campesino has taken the \$2,000 per hectare and continued to grow coca on new or adjacent land. Thus, the program works as an income support and tends to keep farmers in the coca-growing region and in the coca-growing business. The program ought to be ended and not indirectly supported by U.S. dollars.

We also think that the cart has gone before the horse in the discussion of and emphasis on the role of the Latin American military in the drug war. The Andean countries themselves should develop a clear strategy and set of objectives for what they are trying to achieve, particularly in terms of disrupting cocaine processing, the coca leaf market, and farmers engaged in coca leaf growing. Then they can analyze the

measures necessary to achieve those goals. It is difficult to say from abroad that the army ought to do this or that. It comes down to the problem of corruption and how best that can be managed within national enforcement efforts. The Peruvians and Bolivians themselves fear a growing role for their military in this plan. We think that, at best, it is a stop-gap measure until the ultimate answer can be found, an answer in terms of less corrupt, better trained, better compensated, more professional police and specialized police narcotics enforcement authorities. Throwing the army into the gap is, at best, a temporary solution. A country must take the fundamental steps in the long run.

The Andean countries should be urged to come together and formulate their own strategy. This is why we formed an inter-American group, not a learned North American group, to come up with a set of recommendations on drug policy. The heart of that effort should be based on taking advantage of the economics of the coca leaf market and of concentrated, coordinated multinational efforts to disrupt the cocaine processing network.

In this regard, Colombia's no-holds-barred attack on the Medellín cartel and its processing network beginning in August of 1989 is impressive. The economic impact of that one country's effort indicates that more could be done, if it were a coordinated multinational effort. Shortly after former Colombian President Virgilio Barco disrupted cocaine processing by the Medellín cartel, the bottom fell out of the coca leaf market in Peru and Bolivia. There has been a seasonality in coca leaf prices before, but this particular decline went deeper and lasted longer.

We are convinced that it was the impact of the Colombian crackdown that, by disrupting the processing labs, took away the immediate market for coca leaf. The reason the effect dissipated, and some six months later the coca leaf price went back up, is that labs in Peru and Bolivia took up the slack. Also, after a time, the Colombian labs got back in business themselves.

How much more effective could this effort have been if it had started as a coordinated multinational effort and all three countries, or others, had hit the labs together? How much more effective could it have been if they had a long-term strategy of continually taking such action in order to reinforce this synergy? If this could be done, it could disrupt the leaf market and perhaps initiate a long-term decline in and glut on the coca leaf market. The economics of such a situation would begin to push out coca farmers, regardless of what one does in terms of crop eradication or anything else.

The value of this important choke point has been clearly recognized by the implementation of U.S. policies, and we are urging the Andean countries, in collaboration with the U.S. government, to take maximum advantage of it. It has been proven wrong to focus on the coca-growing regions in an effort to remake them. Pumping money into a region where the overwhelming economic activity is coca leaf growing results in growing more coca leaf.

A broader view would argue that Peru and Bolivia have rural economies, and we should follow that market. We should find the best

opportunities to generate increased rural employment in those countries and put our money there. The people are mobile. Hundreds of thousands of Latin American farmers to go cities each year and many people went to the drug-producing Chapare and the Upper Huallaga valleys to pursue economic opportunity. So a strong pull could be created over time by pumping money into the best market-indicated opportunity in rural Bolivia and Peru.

Finally, U.S. collaboration with Latin America in the narcotics field needs a demand reduction element--for moral reasons, and for reasons of the political self-interest of the United States. Substance abuse in Latin America has become quite grave, particularly among the very young. Millions of street children in Latin America are heavy abusers of toxic substances--cocaine products in Bolivia and Peru, in Brazil and Mexico it is inhalants, glue, gasoline, and solvents. This problem needs to be addressed and the amounts going to address it in Latin America are pitiful. Obviously, this is primarily Latin America's responsibility. But there is something wrong with a U.S. program that says we and Latin America together are addressing the problem. Next year, of the nearly \$500 million being put into the program, less than 1 percent will address drug abuse and demand reduction in Latin America.

If hemispheric cooperation to combat drugs is not given this more humane face, then it will begin to lose its constituency. These are democratic countries. The people running for office must create their constituencies, but the debate is too much focused on militarization and supply suppression. Relatively no attention is given to what happening to

the campesino. We need to create an image of dealing with Latin America's own problem of drug abuse.

We recommend a way of doing this that relies heavily on money mobilized in Latin America. Latin Americans are not meeting their own obligations, under their own laws, and under the 1988 Vienna Convention, to seize, forfeit, and monetize the assets of drug traffickers. If they did that, hundreds of millions of dollars could be available for innovative demand reduction and treatment programs, for the young in particular. We are recommending that the United States, as an incentive to help make this happen, offer to share a negotiated portion of its seizures with a club of countries that, in order to join the group, would have to agree to do several things themselves: implement their own forfeiture and seizure laws; agree to apply all of the assets seized to drug programs; and agree to contribute a portion to a regional fund for innovative programs for drug abuse treatment.

If the agreed percentage were 5 percent, the United States might put \$50 million a year into this program; the Latin American countries could mobilize at least that much. If the agreed percentage were 10 percent, it would be twice that much. In either event, it would be a significant injection of additional resources into programs dealing with drug abuse in Latin America that would capture people's attention, meet a need, and, over time, soften the politicization of this important collaboration.

MELVYN LEVITSKY

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I commend many parts of the report, in particular, a number of the recommendations in the second section. But I want to address some specific recommendations of the report that are lacking in understanding of the U.S. government's strategy.

First, the question of reducing our interdiction efforts. It is the law of the United States that bringing illegal drugs into this country is illegal. One can argue whether, on the basis of economics, this is having any effect. But what this report does not point out, and what it is important to understand, is that interdiction is an exclusive responsibility of the federal government. So obviously the amount of federal drug program money spent on interdiction is going to be greater than state budgets because the state governments do not do such work.

There also is in this report a false division between supply and demand, the idea that we can either do supply or demand, one or the other. For a long time the criticism was that we put too much effort into the supply side and not enough into the demand side, although the report acknowledged that the federal government budget has increased tremendously the number of programs it sponsors on the demand side. But supply and demand, as we have learned from many examples in this country and others, work together. In fact, the report, to a certain degree, is self-contradictory since it also points out the connection between supply

and demand. It is a simple statement--the more drugs there are, the cheaper they are, the more pure they are, the more of a problem there is going to be with abuse. The United States has seen this, Pakistan has seen this, and we are seeing this in Latin America.

The marginal product, the overflow from the tremendous production in Latin America, is putting the basuco--which is filled with chemicals that are killing children down there--into the local market. It is not because it is a big market but, rather, because it is there and available. The kids smoke this kerosene-laden junk--similar to crack, but with a worse effect because it is polluted--because the traffickers and growers are overproducing.

This connection is further evidence that demand and supply do not call for an either/or decision. The president's strategy is to attack the whole chain of the drug industry from the fields to the streets. We have determined that that is the way to go, but there is always a public policy debate about how much money to put into programs. That is the way our system operates, and it comes out with a conclusion that has a certain amount of wisdom from the political process embedded in it. We make arguments to the government and on Capitol Hill, and then the policy makers tell us what we can spend. The public has spoken in a certain way; its representatives decide what we are going to do.

The report is also off base on the Bolivia program. The strategy in Bolivia is to put pressure on the trafficking organizations, to attempt to cut the connections between the major traffickers in Colombia, and the

growers, paste buyers, and middlemen in Bolivia, so that the price of leaf is lower than the cost of production to the grower.

The economic assistance that we have for 1991 as a part of our program will, for the first time, provide Bolivia with the opportunity to offer some alternative development. We are not talking strictly about crop substitution--that is, about growing peppers instead of coca in the same area. Much of the population of the Chapare migrated there from the highlands. It would not be economically viable, without the coca, for them to remain there. Therefore, they have to be attracted away. That is the purpose of economic and development assistance. The \$2,000 payment, to which Paul Boeker referred, is a Bolivian government payment per hectare to get out of growing coca leaf, and it is coupled with access to U.S.-sponsored agricultural credit. We think it is a viable program. In fact, we think there have been results. Last year, for the first time in ten years, there was a net reduction in the area of coca production in Bolivia. There is some dispute over whether the total volume actually decreased because of the way that coca matures but, in fact, there was a net reduction. Bolivia reduced production by eight thousand hectares, most of it through voluntary eradication by people who decided to take advantage of these government programs.

Let me then take up the question of military involvement. It is not the U.S. government's policy to tell another country that it must involve its military in the drug issue. In some countries, such as Colombia and Ecuador, the military is involved and has been for a number of years.

Where there is a decision to involve the military, then we will provide military assistance. We think that is a wise decision.

First, consider what the military can do--and we are not talking generally about arrest powers, because in most of these countries, the military do not have arrest powers. The military can support police operations or provide security in areas of insurgency for police operations to go forward. That is particularly important in both Colombia and Peru, where there is a milieu of insurgency and drug trafficking in many of the same areas. In some cases, police forces have been overwhelmed by the logistical needs of getting police troops to areas of drug production. The military can help out in that regard.

Human rights violations are certainly a problem throughout the area. If human rights violations got too severe, we would not be able to sustain any kind of program, whatever it was. It is good for us to be involved with militaries who are involved with the drug issue because we then have an opportunity to teach them professionalism. The human rights component and the civic action component that goes along with that professionalism are useful for both the drug issue and our own human rights concerns.

One last issue has to do with eradication. The environmental consequences of the coca industry itself are grave. In the first place, large amounts of forest have been devastated by the coca growers' slash-and-burn approach to clearing land. This is especially evident when one flies over the Upper Huallaga Valley. Second, a great part of the chemicals

dumped into the rivers are herbicides used by peasants in the coca fields; in fact, they use paraquat to kill the weeds in the fields. It seems to me odd to focus on the environmental consequences of eradicating the coca when getting rid of it might be one of the greatest environmental benefits that could come to this region.

The emphasis on multilateral action, and the need for more cooperation among the Andean countries and other countries, is well taken. There tends to be more cooperation bilaterally between the United States and each of the countries than there is among the countries themselves. We do have some organizations, like the International Drug Enforcement Conference (IDEC), that try to bring law enforcement officials together. It is funded by the Bureau of International Narcotics Matters (INM) and run essentially by the Drug Enforcement Agency (DEA) and its counterparts in each of these countries. There are good programs in the Organization of American States (OAS). The advocacy of more involvement by the OAS and the Inter-American Drug Abuse Control Commission (CICAD) is certainly well founded.

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The basic thrust of this report is that we ought to cut out or cut back on programs that do not work, are not cost effective at the margin, or have undesirable and unacceptable side effects. At the same time, the idea is to expand programs that appear to be useful and in need of more financial support. On the list of programs that do not work or are counterproductive is interdiction. Accepting Mr. Levitsky's point that whatever interdiction is going to be done with respect to the United States will be done by the federal government because it is a federal responsibility, one still has to confront two major objections to interdiction as a mainstay of narcotics control.

One is that the effect of interdiction on price paid by the end-user is far less than statistics about seizures would lead one to expect. That is because drugs seized offshore do not have a street value; they have the value they have to the trafficker at the point of seizure--the replacement cost--which tends to be a trivial fraction of the final retail cost. A second point not stressed in the report is that one effect of interdiction is to increase the export demand for interdicted drugs. If a ton of cocaine is seized, for example, one effect of that seizure will be to increase the final retail price in the long run and, therefore, decrease the quantity consumed. But the effect on price will be relatively small and, therefore, the effect on consumption relatively small. But another effect of seizing that ton is to

leave room for another ton to be shipped from, say, Colombia, and grown in, say, Peru or Bolivia. From the point of view of trying to wipe out the exporting and production industry in the source countries, interdiction can be worse than useless. That is not to say that we would like to leave the borders open. There is clearly some value to some level of interdiction. The question is whether the amount of interdiction that can be usefully done can be encompassed within, say, the first half billion dollars of the current roughly \$2 billion interdiction budget.

The report also criticizes the reliance on crop eradication. But what is the impact on the supply of drugs of getting them at the point where they are cheapest and easiest to replace? If we were to spray the appropriate herbicides to kill a substantial fraction of the coca crop, one would have to ask whether the result of that action would be less cocaine available in the United States or additional slash-and-burn activity to open new regions to coca production in response to what will, at that point, be a shortage of raw material.

The same can be asked about the payments to growers to cease growing. One possibility is that the land will go out of production. The second is that that land will remain in production under new management. And a third possibility is that new land will come into production. To determine what actually takes place one has to look at the local economics. But the effect that Peter Reuter of the Rand Corporation has called "quantity illusion"--the imagination that somehow if we destroy a ton of drugs that is a ton that does not go up somebody's nose--needs to be resisted.

Finally, the report criticizes the certification process. This is the requirement that every year each of our trading partners get a certificate from the president indicating that they are doing their best to control drug exports to the United States, or that it is otherwise in the national interest to let them, for example, maintain their normal trade relations with the United States.

It is impossible to meet with Latin American scholars on this issue without hearing complaints about the process being an insult and an affront to national sovereignty. I would be the last to say, as a nondiplomat, that one should never be prepared to tolerate that level of complaint, but it seems to me that it should be tolerated only if one can show some real results. To one who follows U.S. politics and understands the power of the Treasury Department in the federal government, it seems inconceivable, for example, that Mexico would ever be decertified. Assume, for example, that the Mexican government decided to erase its debt by getting involved publicly in the cocaine business. Some U.S. banks would go bankrupt if Mexico did not pay them off; therefore, it seems unlikely that the U.S. government would decide to shut down trade with Mexico. Nonetheless, if you were in the Mexican government facing that threat every year it would probably not make you very cheerful. So, unless we can figure out some way that certification helps, there is at least an argument to shut it down.

With regard to expanding useful programs, the report talks about retail enforcement. It points out that interfering with the final retail transaction is a good way to interfere with the drug industry. Interference

has to be done where the demand is--at the local level. We could do more of that. One possible target for funds taken out of interdiction would be more retail enforcement.

With regard to the treatment of problem users, the report lumps together the offering of therapy to those who would like to quit their drug use and coercion of user offenders. Those are worth keeping somewhat separate conceptually. They come together, of course, in the form of treatment in prison. But a relatively small number of people who constitute a large fraction of the total demand for imported drugs in the United States, and a large fraction of our domestic drug market, can be identified and required to stop using whatever drugs they are using. And if that can be done for a few billion dollars a year, it would be well worth doing.

Finally, the report talks about demand reduction, or persuasion, broadly construed as useful in taking the pressure off enforcement. I am in sympathy with this aspect of the report. However, had I been writing the report, it would have differentiated more among the illicit drugs. It does not make sense to talk about marijuana, heroin, and cocaine in the same breath. They pose radically different problems to users and to the people around users. And we cannot concentrate on everything at once. So some differentiation among the currently illicit drugs with respect to our policies--not necessarily with respect to the laws--would make sense. It would also make sense, particularly if we are going to do a broadly based persuasion program, to start paying attention to the licit drugs--alcohol, tobacco, and the inhalants. They are colossally destructive,

personally and socially, not in the way that cocaine is in terms of generating a black market, but in producing other sets of problems. We have, for example, the problems associated with almost completely unlimited use. If we are going to have a hemispheric drug strategy, it ought to include the drugs that very large numbers of people actually use.

The report also pays a great deal of attention to the notion that there is a somewhat appropriate balance among the different elements of a drug control budget and that we ought to be comparing percentages. We do not know what the shape of the cocaine epidemic would have been in the United States under a different set of enforcement policies. But with respect to retail enforcement, and possibly even wholesale enforcement, a plausible argument can be made that the wave crested at a much lower place than it would have had there been less enforcement.

It is also certainly true that attitudes in the United States about the use of some drugs shifted radically during the 1980s and that this has reduced the size of our drug problem. The evidence that this was due to formal governmental or nongovernmental programs aimed at persuading people not to use drugs--drug education, as it is called--is almost completely absent. In fact, if we look at alcohol, the one drug that has not been mentioned in the antidrug persuasion campaigns, the curve of attitudes has been almost precisely the same. I think what we have seen is a massive turning against drug use and toward wholeness. It seems to me that the folks chiefly responsible for the reduced demand for drugs in the United States are the people who brought you granola, not the school-based programs. I do not mean to say that there is not good antidrug

education being done and to be done in the schools. But I regard as questionable the proposition that we have an education program that we know works, and that if we gave it more money it would work better.

By the same token, there are certainly some treatment programs that we know work in improving the lives of the people who go through them. And there are a number of treatment programs about which we do not know that; that is to say, we do not know that they are better than giving somebody the phone number of the nearest Narcotics Anonymous group. The report makes a point of the gap between the number of people in need of treatment and the number of treatment slots; but treatment needs and treatment demand--that is to say, people actually willing to go into a treatment program and comply with it--are two very different concepts. The evidence that, on a national basis, we have a massive shortfall between people wanting to be treated and actual capacity is less clear. And the problem we do have of waiting lists may not be best solved with money but, rather, by new mechanisms to coordinate the relationship between treatment availability and the needs of clients in a way different from the current market of programs. I am less sanguine, therefore, than the authors of the report with regard to the idea that we have well-known programs into which money can be put. The notion that there are many programs on the "demand reduction side" on which we could easily spend the next \$2 billion is unclear to me.

On the need for institutional reform in Latin America, I raise two issues. One is the pay of public officials. If we look at the salaries of policemen in Latin America it is not surprising that enforcement efforts

are not as successful as one would like. I might put even more stress, however, on the procedural matters--the way that the criminal process is handled. As Germany has demonstrated, it is possible to run an inquisitorial criminal law process that is quite effective. But in general the document-based inquisitorial systems around the world have not shown as much vigor as the common law systems. At minimum, it must be made possible in most of Latin America to move through the system faster a criminal case against somebody significant, without direct intervention from the president.

There is some optimism expressed in the report that if the demand from North America and, to a lesser extent, Latin America can be reduced the production problem will tend to go away because, after all, there will be no one to buy the product. I do not believe Colombia's cocaine problem or the United States's cocaine problem is going to be solved in Colombia. I also think it is no longer true that the Colombian cocaine problem can be solved in the United States. It is necessary now to control the ability of people to produce and traffic in cocaine from Colombia, from Colombia's point of view.

The broader point is that both the United States and Latin America, in different ways, have crime control needs that are not now being addressed--both the crime of drug trafficking and what are sometimes called predatory crimes. The new world has a different and in some ways smaller set of informal traditional social controls than the old world had, and in many ways that is to our benefit. One of the consequences of this--along with increased geographic and social mobility--is that the rewards

for successful crime are greater in the new world than they were in the old, that is, successful crime in forms other than stealing an entire government. All of these societies need to think about what we are going to do about the fact that we have probably built into our social fabric greater needs for formal repression of unlawful activity than is true for, say, England. If I were going to talk about the budget imbalance in the United States, I would not point to the ratio between drug enforcement spending and drug treatment spending, but, rather, to the fact that we spend \$600 billion nationally on health care and about one-tenth of that on law enforcement.

And I would ask the same questions the report asks if I wanted to extend the life expectancies of Americans. If I had a dollar to spend, would I get more life expectancy out of hiring more probation officers or more technicians to run CAT scanners? There is a general issue of balance that needs to be addressed that is probably outside the scope of anything we are doing here, but that probably deserves to be mentioned.

DISCUSSION

A Mexican embassy official noted that, since its inception, the Mexican government has opposed the U.S. certification process. He asked how the authors of the report came to the conclusion that the process should be eliminated, and then asked Assistant Secretary Levitsky if there is a possibility that it will be eliminated in the near future.

LEVITSKY: I do not think anyone in the group supported the certification process. Several people on the U.S. side, including myself, represent the more conservative view and argue that the process may have had its purpose at some point, but is not serving that purpose now. We are dealing with a hemisphere of societies that are becoming more democratic, with active domestic politics and vibrant constituencies. We are worried about the Latin American constituency over the long term for antidrug programs and for collaboration with the rest of the hemisphere on antidrug programs. This is going to be a long-term need, so we must look at it carefully.

This certification process has embittered many Latin American countries. These democratic societies are doing what they can. There is no society in this hemisphere that wants to forget the drug problem or that does not treat it seriously; therefore, it becomes difficult to give out grades. If it must be done, it should be a multilateral process. In fact, the fund we propose for sharing a portion of forfeited assets does involve a kind of multilateral certification process. Such an organization would have to decide if the next country wishing to join had actually implemented an

effective forfeiture process, as prescribed in the 1988 Vienna Convention, if it actually was going to realize money, and if it actually was going to dedicate it entirely to drug programs and so forth. That is difficult, but viable. At this point, a unilateral certification process is just not politically consistent with a hemisphere of collaborating democratic societies.

As for the second part of the question, the answer is no. The certification process will not be changed. In fact, the administration proposed a new foreign assistance act to the Congress that tried to give the president some flexibility to operate and to make determinations without having the Congress earmark all of the funds and programs, and without Congress requiring one report after another. The answer from Congress was a resounding "No." I think politically this will not change any time in the near future. Congress's argument is essentially this: Since the United States is paying the bills, we are going to determine what the conditions are.

Members of Congress say that their constituents want to know why they are giving Bolivia, or Colombia, or Peru money, when it could be used on the streets at home. So the members of Congress attach conditions to the provision of the money, to the provision of the programs. In this country we sometimes engage in the practice of judging the behavior of other countries when we are not willing to judge our own. Some members of Congress have said they are not sure if the United States could certify itself under these provisions, which may be the case.

The same Mexican embassy official asked a follow-up question. Although he recognized the political reality, out of fairness should not Congress be told that in order to adhere to the Vienna Convention the certification law must be amended? His analysis of the convention shows that it bans any country that requires any type of certification.

LEVITSKY: While there are good reasons not to have certification, I do not accept your interpretation of the connection between the Vienna Convention and our own domestic laws.

AMBASSADOR HUGO MARGAIN: The drug problem starts with production, followed by trafficking, and then consumption. Our bilateral studies of mutual problems between Mexico and the United States showed that enforcement on the production side also involves reducing consumption. More than one hundred countries accepted in the 1988 Vienna agreement that there is a collective responsibility, not just responsibility for production or trafficking or the consumption of drugs; these stages cannot be considered as separate.

The Vienna agreement also included an obligation for each of the countries involved, including the United States, to send a report to the United Nations every year. The General Assembly would publish each country's report. We think that this is much better than the certification process. We would be at the UN together telling the world what we were doing and making available our statistics and information. The United Nations authorities would review the facts and could, for example, say to a country, in the hearing of world opinion, that it was not pleased with the

progress it had shown. Such a multilateral approach would avoid the kinds of friction that are produced by a bilateral arrangement. Perhaps politicians in the United States might see that a multilateral request from the UN would produce more results than a bilateral certification program.

COLETTA YOUNGERS (Washington Office on Latin America): I agree that alternative development programs in the Chapare Valley are not working. I do, however, think they are a step in the right direction. I recently participated in the first annual meeting of the Andean Coca Growers in La Paz, Bolivia, where about three hundred coca growers talked about their reality and the economic difficulties they face. It is clear that we are dealing with a large group of people who are well organized and who need some sort of alternative way of living. The price of the coca leaf fluctuates greatly, and it is hard to survive on that sort of income. The growers are not making much money, and there is a lot of violence related to drug trafficking. So there is real will there among the growers to get into other economic activities.

At the same time, there are problems with the programs as they exist presently. Often it takes over a year for the growers to get the \$2,000 that was mentioned earlier. The technical assistance does not come through. The government has not been able to implement it effectively. I do not think there have been enough resources put into the program. What would be an effective alternative development program for this particular region, to complement the programs that are being implemented in other parts of the country?

BOEKER: We cannot come to correct solutions by looking at the Chapare; we have to look at rural Bolivia. Those people who went there to pursue a particular economic opportunity may need to leave if they are to adequately support their families with the next best or another economic activity. We are, therefore, left with two difficult approaches. One is to try to force people to leave, to pick them up and move them, to retool them. The other is a long-term market approach that argues that if we can pump up the rural economy of Bolivia, people will be attracted to the best opportunities and they will go where those are. If at the same time we can carry out narcotics policies that will contribute to a long-term decline in the price of coca leaf, we will help exert pressure on the other end of the process. It will be an economic and, on the surface, a more natural process that is more sustainable for weak governments facing difficult conditions.

It could be that on some brighter day the Chapare can be reopened for development on another basis. But for as many years ahead, the dominant economic activity there is going to be coca leaf. Good policy comes from accepting that and not trying to fight it.

LEVITSKY: I disagree strongly. It is complicated to try to affect the price of coca leaf and create incentives for people to get out of a business that is providing them with--in the Bolivian circumstance--a relatively good standard of living. This does not mean that they are living in luxury, as anyone who has been through the Chapare knows. On the other hand, they are making more money than they could from any legitimate crop, no matter what other alternative there was. There must be a strong

disincentive. The government should make clear to the people who are growing coca for the production of cocaine that they are involved in illegal activity and an activity that is morally wrong. At the same time, the government should make clear that, through its programs, it will try to provide some incentives to get out of the business. The government should make it clear that they will be able to earn a decent income and that they will not have to face our harassment because they are breaking the law. Such a combination, along with interdiction in Colombia, which cuts the ties, and along with interdiction in Bolivia against the traffickers, particularly the paste buyers and the paste-buying organizations, not against the growers, is extremely important in carrying out the whole program.

The Chapare would probably not easily support the number of people that now live there. It is a question of making an economic choice, but it also has to involve some disincentive to the activity that is going on now. We still have to have strong law enforcement components and a government that is more willing to take on the coca growers by confronting them politically with what they are doing.

SMITH: Within the commission there was much discussion over the language on this point. There was debate over the extent to which, in fact, migration out of these regions was a necessary or desirable part of the package. Some of us felt that it is important for the growers in the Chapare to have something to go to. But encouraging more migration to capital cities which are already over-crowded and creating social unrest is

not exactly a step forward. If one reads the report carefully, one will see where we softened our position on that point.

LEVITSKY: AID figures now show that some of the alternative crops--particularly pineapples, papaya, and some spices--which could be cultivated in the Chapare Valley and in the surrounding area in fact could (depending again on the price of the coca) equal or come close to the income that is generated from coca. So obviously not everybody has to leave the Chapare. There is a certain population that it will sustain and there are certain products that can be grown profitably there. There needs to be a balance between attracting people to move to other places and recognizing that some can stay there and have at least relatively good employment.

SMITH: I would like to ask Naya Arbiter to comment on what we really know about what works with regard to demand reduction and therapy. Will it help to shift resources from supply to demand, from areas that we do not think are working so well toward areas that we think will work well?

NAYA ARBITER: We can say, in terms of the addiction profile of adult men, that length of stay in drug-free treatment correlates with success. Period. If we can get someone to go into a treatment setting and stay for at least a year, the chances in a five-year follow-up of that person being employed, successfully completing probation and parole, with no drug use, and with consistent relationships are better than 75 percent. This is with large end numbers and lots of follow-up.

One of the measures of a good drug treatment program for people who do not have insurance policies is whether or not there is a waiting list for that program. Word on the street spreads quickly if a program is operating well. People on a particular street corner will see someone leave and, whether or not the program is mandated, not come back to that street corner. That is how the word spreads.

I am on the board of a nonprofit national treatment organization that represents about one hundred and twenty different programs. Our waiting lists range from three-to-four months for people seeking to get in, and that is usually well over one hundred people--in big cities it is often one thousand people or more. So there is not only a need, but there is a demand that many of us cannot meet.

We have found that if there is an interdisciplinary approach there is greater success. For example, a woman can be given a choice between entering drug treatment and going to prison. She will then face court pressure to stay in the program until she graduates and perhaps be able to have her children with her. These groups have been about 80 percent successful in two or three small pilot projects around the country. Coercion can be brought to bear successfully when there is some motivation, and it does work over a great many years--with three-, five-, and ten-year follow-ups on people.

Because drug treatment within a prison setting was mentioned earlier as perhaps being coercive, it is important to say that we have a

reality gap developing in the United States about who these people are and what their quality of life is like. If we set up a voluntary program in a prison setting with an isolated unit, many people will want to participate. Their participation may be because that unit is safer; their participation may be because it may be a place where they can get a photograph of themselves, and they have not seen what they look like for two or three years; it may be because it is a safer place to learn how to read. Sometimes it is because it is the only safe place to talk to someone from an opposing gang.

When one does this kind of program within a prison setting, where people are going to be there anyway and where we can offer them a better product--meaning coming off the yard, and using the existing housing--many people come in and there is significantly reduced recidivism. Not everybody agrees, as Mr. Kleiman suggests, that in-prison programs are not only successful but cost effective. What I am emphasizing is that the factor of success is based on length of stay and not on motivation. All the studies indicate that coerced stay is every bit as good day-for-day as voluntary participation.

There has been some good work in the last twenty years on moral development. One of the ways of looking at a good demand reduction program or a good treatment program--which, by the way, addresses alcohol, toxic vapors, cocaine, and other drugs--is that one wants people to move up the moral scale. In order for that to happen people must have some credible role models, they must be in a position to have some sustained responsibility, and they must be able to play different roles. All

we do when we work in a prison or a good drug treatment program is afford people, within a confined setting, some different roles to play, along with giving them some responsibility. It works just like it works with a five-year old.

I believe people will simply switch from one drug to another if interdiction is successful. If there is absolutely nothing on the streets, does an long-term heroin addict become alcoholic? Yes. Does an alcoholic, say a Native American who cannot get any alcohol, then start using toxic vapors? Yes. If somebody has opened up that particular door, people will seek out whatever they can get or they will build methamphetamine laboratories, and that is what we have seen, particularly in the southwest of this country. I am not saying to let all drugs come into the Unites States, but there must be a commensurate effort on the other side. If interdiction worked so well we would be able, at the very least, to keep drugs out of our prisons.

LEVITSKY: We are at least as successful with interdiction as we are with treatment, in terms of percentage, if you look at recidivism rates. We may be doing even better than the treatment programs.

There is a point to be made in terms of our relationship with other countries. We are saying to other countries that they must do this and they must do that. We are aiding those countries to do so. Colombia has sustained great damage as a result of going after traffickers. Not that they are not doing it for their own purposes, but we are, at least in a way, aiding and abetting their programs. If we then say we are not going to put

a wholehearted effort into interdiction, such an approach undermines the argument for others to go do the job. We must think from the standpoint of public policy and foreign policy. To be consistent we must have a strong, balanced policy all along the drug chain. In fact, most of the effort nationwide, not just the federal drug budget, should go into reducing demand. That is the greatest contribution we could make in terms of the worldwide drug problem.

TIM SMITH (United States Information Agency [USIA]): In the United States, many of the issues seem to be reaching a degree of sophistication at which much of the argument is about the details, not the broad strokes, of where policy should be moving. This was not true necessarily two or even three years ago. But the private sector people on this panel will find that this is not true among the elites of the Latin American countries. Mexico is perhaps the exception. It is close to this level of argument, but this is not the case with newspaper editors in Peru, congressmen in Bolivia, or people in Colombia. We are releasing the Spanish language edition of this report in Mexico City later this month with representatives from throughout Latin America. If the Ford Foundation decides in favor of the extension of a grant for this project, Ambassador Boeker and I will make separate tours throughout South America to bring the report to the Andean countries and other parts of the region and to press the dialogue.

We discussed this report with many people from many countries. They do not agree with everything we say, but we felt that the level of receptivity of the discourse was high.

MARGAIN: In Vienna, when we started the debate on the discussion of a general global agreement, the group of Latin Americans organized a caucus. We had an interchange of ideas on how to push certain points that we think favor our region. We wanted to have the presentation in Spanish in South America, but it was not possible. We are going to present the same report in Spanish in Mexico at the end of this month. There will be a total of four volumes of debates and information in English. We are examining the possibility of a translation into Spanish.

Drugs are a terrible burden all over the world. We have an education campaign, although we know that this alone is not the solution to the problem. Our focus is education, information, prevention, and rehabilitation. We do not think that interdiction will end; we will continue this aspect of the drug fight. We are against Mexico being a transition point for drugs moving into the north. We are going to continue interdiction, but we believe it is necessary to put more emphasis on prevention to solve the problem. Drug traffickers are intelligent and mobilized. We ought to destroy them through the prevention of money laundering, by not allowing them to have secret bank accounts, and by making everything open to scrutiny. We should seize their assets and put the money to work in the fight against drugs.

Finally, we have to think not only in terms of our own countries, but of the hemisphere as a whole. This debate and interchange of ideas here at the Woodrow Wilson Center is important in this regard. As President Bush's Enterprise for the Americas Initiative promises in the area of free

trade, we have to think continentally. We need to work and think together.

EVERETT BAUMAN (El Nacional, Caracas): With regard to the disruption of criminal processing, the situation in Colombia shows that the price, not the financial price, but the price of terror, has been too high. I do not think it is for lack of any regional program, not for lack of financial support. How do we deal with that? Do you simply recommend that each country go through this kind of a terrible period?

PETER SMITH: We understood from discussions with the representatives of Colombia that the price was high, as you say. It was done for reasons related to issues of governance and violence, as much as it was done to disrupt the drug trade, per se. We do think that if there was coordination and collaboration among various countries carrying out simultaneous and repeated actions, no single country would have to bear the level of burden that Colombia did a year and a half ago.

But if that is repeated, it would keep the price of coca leaf down or at least sufficiently unstable such that people would get out of the business. What has happened in the past with seasonal oscillations in the price of coca leaf is that people know they can wait. If we have more coordinated actions that disrupt the chain so that everyone is a winner in the long term, we would have a better chance.

LEVITSKY: It is a burden on Colombia; on the other hand, it is their country that is threatened. This is not something they are doing as a favor

to anybody else. If Colombia becomes a narco-state because it decides it cannot bear the terrific burden that it has right now, then all its hopes for boosting its economic development, for having trade relationships with other countries for the many products it produces, for having a system that is uncorrupted by narco-money, for a democracy that is not run by the narco-traffickers are gone.

It is not a burden that is not worth bearing in terms of Colombia's future. Many Colombians understand this point. I must also be frank in saying, as part of the political aspect of this issue, that many Colombians also describe it in a way that puts more of a burden, in the form of increased obligation, on us. This is part of international politics. They want to get more trade concessions, more trade preferences, lower trade barriers, more assistance. It is well worth their emphasizing the burden they are bearing, which is considerable. But the issue should be looked at with respect to Colombia's system, Colombia's future, and Colombia's democracy.

PETER SMITH: Our commissioners agree on that point, but we are trying to say that we should not wait for Colombia to decide to do it again. And this may or may not happen as some proactive stance, a stance that tries try to distribute some of the burdens and find choke points that do not require the kind of crisis that Colombia experienced in August of 1989.

LEVITSKY: The problem is that roughly 80 percent of the cocaine comes out of Colombia. Part of our strategy is to break those ties, and that does not mean just in Colombia, it means also taking some action on the other

end of the drug chain--whether it is in Peru, Bolivia, Ecuador, or somewhere else. Working on harassment, eventual dismantlement, separating them from their money and their chemicals, which address the weakening of the trafficking organizations, is certainly an international problem.

At one point in the administration there was some discussion about a strategy of putting all resources into Colombia, to build up Colombia, in a law enforcement sense, to the point where it seriously can go after and knock down all the trafficking organizations. It was decided that such a strategy simply was not viable. The belief was that the organizations would move elsewhere eventually, if not immediately, and that we would not solve the problem that way. So it is a multilateral problem and issue.