

Report of the Inter-American Commission on Drug Policy

Throughout history, peoples of the world have shown a recurrent tendency to abuse narcotic and psycho-tropic substances. The struggle to control abuse and traffic in these substances must therefore be permanent. Analogies of war and victory are misleading: there can be no peace.

Over the last few generations most societies failed to establish permanent programs of prevention and education and to maintain an open, ongoing discussion of the risks of drug abuse. Illicit drug abuse surged anew during the 1970's and 1980's among populations that were ill-prepared by governments, communities, families and schools. The social costs of this neglect have been crushing. Especially devastating has been the crack epidemic of the 1980's.

Shared problems

The United States, Canada, and Latin America continue to pay a high price. Throughout the hemisphere drug abuse has stricken the vulnerable, the poor, and the disadvantaged, and threatens to condemn them to unproductive lives on the margins of society.

The street children of Latin America's cities, stunted by toxic

inhalants and smokable forms of cocaine, face this danger as starkly as the youthful offenders who are continually recycled through the U.S. criminal justice system. The multiple connections between AIDS and narcotics magnify still more the threat to these and other vulnerable groups.

The drug problems faced by nations of the Americas have common elements, but also important differences. For the United States, the principal drug problems are ones of crime and public health. For Mexico, it is a problem of trafficking and of the trafficker's efforts to subvert law enforcement institutions. For Colombia, it is a problem of extraordinary violence that directly challenges the integrity of governmental institutions. For Bolivia, it is mainly a problem of failed rural development. For Peru it is that too - plus the spreading loss of government authority in whole regions of the countryside.

But shared problems faced by all the people of the Americas provide both a reason and a challenge for international cooperation. All nations have to contend with the spread of drug abuse and its threat to the young in particular. All have to defend themselves against powerful and

violent criminal organizations capable of undermining the authority and stability of their democratic institutions. And all have to deal with drug cartels that are highly mobile and adaptable. No country is immune.

The heart of the problem in this hemisphere, but not the sole cause of it, is the continuing demand for illicit drugs in the United States. The U.S. consumes most of the cocaine, heroin, and marijuana exported from Latin America. This demand encourages supply and thus strengthens the power of trafficking organizations, most notably the Colombian cartels.

Sustained progress in the reduction of U.S. consumption of illicit drugs helps all of the Americas. This is the key to success. No program of hemispheric collaboration can be truly effective unless the U.S. sharply curtails its demand for these substances.

Encouraging signs

The turn against drugs in much of U.S. society has been driven mainly by growing awareness of the risks to personal health, and by aversion to the criminal violence associated with drug trafficking. Despite little change in the availability of drugs, this increasingly negative attitude toward drug abuse

has led to a significant decline in drug consumption within the U.S. and offers a realistic basis for hope of continued progress.

Yet most resources in U.S. anti-drug programs are still devoted not to what is clearly working - the reduction of demand - but to what is not - the curtailment of drug supplies. Billions of U.S. anti-drug program dollars are still targeted on interdicting and confiscating drug

shipments, while seizures provide only an illusion of success rather than any accurate measure of progress.

Interdiction itself is not the priority policy goal. The ultimate purpose is to make drugs more costly and less available to U.S. consumers, an objective more readily accomplished by street-level enforcement at the wholesale-to-retail level and by direct attacks on the criminal organizations that transport the drugs.

The Inter-American Commission on Drug

Policy is a private group of experts from six countries, Bolivia, Canada, Colombia, Mexico, Peru, and the United States. We represent different perspectives from agriculture to rehabilitation, from education to law enforcement, and from academia to government. Our group includes former senior government officials, prominent leaders in the fields of drug treatment and rehabilitation, and scholarly experts from universities and research institutions.

For over two years we have carefully examined the assumptions and mechanisms of international efforts in the Americas to counter the abuse and traffic of narcotics. Our goal has been to assess the prospects for more effective hemispheric cooperations and to offer practical recommendations to governments, to private organizations, and to concerned individuals.

In the proposed U.S. federal budget for the 1992 fiscal year, 70 percent of the resources are devoted to programs for supply reduction (interdiction, law enforcement, and most international activities) and only 30 percent to programs for demand reduction (education and treatment). These priorities are upside down. Nationally and internationally, authorities should give greater attention and funding to what is working: programs to reduce demand and treat drug abusers, street level enforcement, and the disruption of the criminal networks which produce and traffic in drugs.

Appropriate treatments of drug users should be one high priority. It reduces demand and all its related societal costs. The largest group of hard-core, or frequent drug users in the U.S. and elsewhere may well be people under detention or supervision by the criminal justice system. Yet most members of this large group do not have programs of treatment and rehabilitation available to them through the penal system. Court-referred treatment and rehabilitation accompanied by testing offer one of the most effective strategies for reducing both drug use and crime by drug users.

Careful testing programs and non-penal sanctions for drug abuse can usefully reinforce society's growing intolerance for such abuse. There is no clear evidence that incarceration for drug use reduces such use. In addition, street-level enforcement against the drug trade at wholesale-to-retail levels reduces both supply and demand by making drugs difficult and risky to obtain. Over time, education and prevention programs are the most promising strategies for overall demand reduction.

Two current U.S. programs actually exacerbate the drug problems



of Latin America. First, U.S. pressure on the governments of Peru and Bolivia to increase their military's role in anti-drug programs is misguided. The unintended consequences of an increased military role in drug enforcement in Colombia, Peru, and Bolivia have included greater violence and increased human rights violations. These outcomes have weakened popular support for anti-drug efforts in general and for cooperation with the United States.

Second, U.S. support for Bolivia's program of voluntary coca substitution has actually had the effect of sustaining the income of coca

growers and thereby keeping them in the coca growing business, rather than moving them into lawful pursuits. Bolivia and the U.S. are in effect wasting most of the \$42 million of U.S. economic assistance provided to Bolivia in 1990.

To meet acute human needs and to improve support for international cooperation, the hemisphere needs a collaborative program to address the human tragedy of drug abuse and its prevention—otherwise governments will eventually lose their essential constituency, the people of the Americas.

Our recommendations

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

The Commission recommends that the U.S. government:

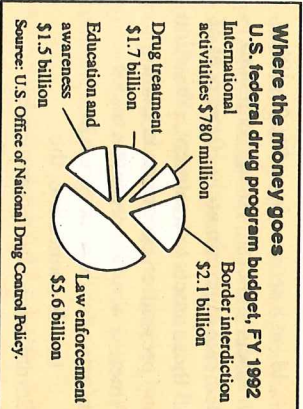
- Significantly reduce funding for interdiction of drug supplies in U.S. border areas.
- Half efforts to persuade or coerce Latin American governments into expanding the use of military force against processors, traffickers, and growers.
- Terminate support for existing programs, such as that in Bolivia, which pay farmers for acreage withdrawn from the production of coca leaf. 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 an environmental risk and provokes political opposition to anti-drug policies in general.
- Eliminate the U.S. legal requirement for certification of anti-drug 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 throughout the Americas, rather than on seizures of drug shipments.

The Commission recommends:

- That the Andean countries, in consultation with the U.S., develop a long-term strategy for countering the cocaine trafficking organizations and create a permanent entity to monitor its implementation.

- That the Organization of American States (OAS) assume an expanded role in strengthening 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.
- That the remaining of indicted drug traffickers from one country to another be carried out in strict accordance with existing extradition treaties and intergovernmental agreements.
- That all countries tighten purchasing regulations and export licensing for weapons and firearms, to reduce the flow of arms to drug trafficking organizations.
- That all countries require export licensing of the major precursor chemicals employed in the production of illicit drugs.
- That all countries 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.

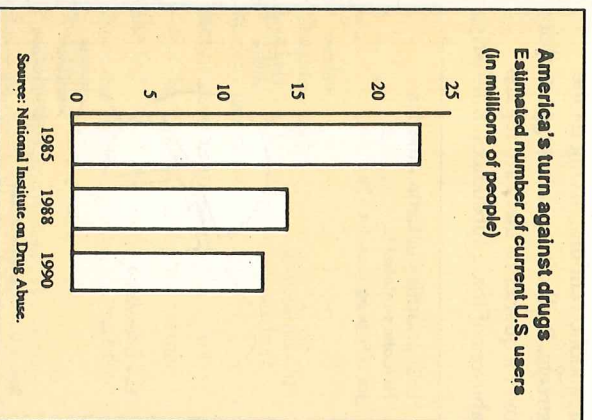


3. Launch a cooperative and integrated effort throughout the Americas to reduce consumer demand for illicit drugs.

- The Commission recommends that all countries in the hemisphere:
- Provide drug treatment in all penal systems.
 - Target for counseling and treatment drug-using women of child-bearing age, who risk

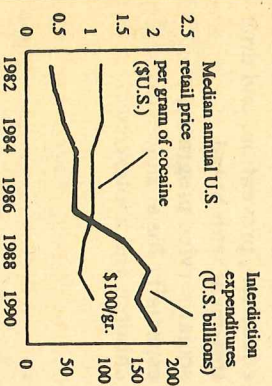
“U.S. society’s turn against drug abuse has created a unique opportunity”

- contracting and spreading AIDS and giving birth to drug-impaired infants.
- Develop publicly-funded programs for young people with drug problems, especially those who have dropped out of school.
 - Provide education, counseling, and other prevention programs in all elementary and secondary schools, in community organizations, and in the workplace.
- The Commission further recommends that the U.S.:
- Provide adequate drug treatment for all those who need it, with long-term commitments for substantial federal, state, and local government contributions.
 - Train specialists in international assistance organizations (such as the Peace Corps, the U.S. 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 in Bolivia and Peru.**
- The Commission recommends:
- 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 targeting trafficking groups and processing centers, thus lowering the price of coca leaf and encouraging farmers to seek lawful economic activities.
 - Concentration of efforts in the U.S. 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.
 - The creation of multi-donor funds for rural development in Bolivia and Peru to exploit the best opportunities of generating lawful rural employment and growth wherever such opportunities might be.
 - The extension of U.S. trade preferences beyond initial provisions in the U.S. Andean Trade Preferences Act.



Is interdiction really working?

Trends in retail price for cocaine and U.S. expenditures on interdiction 1982-1991



Source: U.S. Office of National Drug Control Policy

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

- The Commission recommends: That the U.S. and Latin American countries (starting with the Andean multilateral accord under which they all promise to take the

Resources should be concentrated on what's working, not what's not

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 anti-drug programs.

- A second provision of such an accord should be the 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, prevention, and education in participant countries.

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 per cent of all these assets to treatment, education and prevention programs in Latin America would represent a major infusion for these programs.

In this connection, the

Commission also recommends:

- Further research 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 on effective means to alleviate the social conditions within inner cities, in both the U.S. and Latin America, that draw young people into informal economies, illicit activities, and involvement with drugs.
- Continuing feasibility studies of forms and prospects for alternative rural development.

It should be emphasized, in conclusion, that these recommendations do not call for increased expenditures of public funds by governments throughout the Western Hemisphere. Instead, they call for a major reallocation of public expenditures, away from interdiction and supply control and toward demand reduction. They also envision a mobilization of new resources through the monetization of forfeited assets.

An unending campaign

The U.S. Office of National Drug Control Policy estimates the current annual cost of drug abuse to the U.S. as over \$100 billion in lost productivity and drug-related

accidents, not to mention the costs of combating drug trafficking and rehabilitating drug users. And the U.S. has only begun to pay the full costs for its recent surge in drug abuse.

Each year in the U.S. over 300,000 babies are born who have already been exposed to illicit drugs, including cocaine and its especially harmful derivative, crack. Medical costs for a crack baby may exceed \$40,000 over the first four years, with subsequent need for therapy, special medical care, and special educational services.

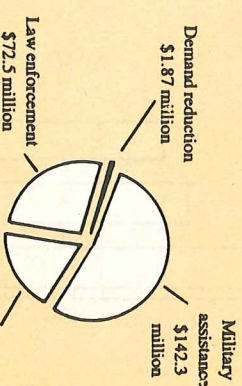
Annual costs for therapy and treatment of crack children run into billions of dollars. Hopefully this investment will lead to the recovery and rehabilitation of many of these youngsters; some will probably require treatment and therapy over the course of their lifetimes, well beyond the turn of the century.

Latin America faces its own forms of the same human tragedy and dissipation of resources.

Alarming numbers of abandoned street children inhale solvents, glue, and gasoline, or smoke adulterated forms of cocaine. All these substances can cause permanent brain damage.

Brazil has an estimated 7 million abandoned children living on the streets. Preliminary data suggests that over a quarter of them are regular abusers of toxic substances. Similarly,

U.S. priorities in Latin America
Narcotics-related funding for U.S. programs, FY 1991



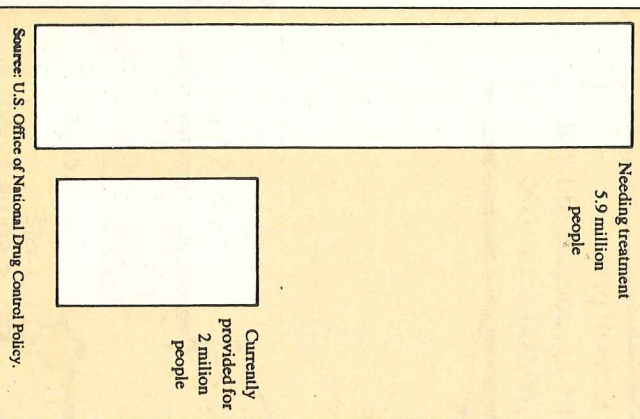
Source: U.S. Department of State.

a survey of adolescents and children working in the streets of Mexico City (often as peddlers or beggars) indicated that 22 percent are daily inhalers of solvents. Homeless children in Bolivia and Peru are regular users of adulterated cocaine.

Will these rising costs of drug abuse move the countries of the Americas to invest in programs needed to contain drug abuse and traffic over the long term?

History is not reassuring on this critical question. The U.S. has experienced repeated cycles of

The gap in U.S. drug treatment
Numbers of Americans provided for and those in need
(projections for 1992)



drug abuse throughout its national history. On each occasion, U.S. society has slowly mobilized its moral indignation against substance abuse - and then, as the epidemics waned, the U.S. has turned its attention away from the problem, thus leaving itself vulnerable to the next cycle.

The epidemiological history of drug abuse should convince us that

controlling drug abuse and traffic is a permanent responsibility, realizable only by long-term programs that are continually supported and funded in communities and at all levels of government. Vulnerability to abuse of narcotic and psycho-tropic substances

“The Commission recommends that all countries work to provide adequate drug treatment for all those who need it”

has proven to be a persistent tendency for societies and individuals. Some percentage of the population may always be addicted to some kind of substance; the goal of public policy is to prevent such addictions from spreading out to the to the majority of citizens.

The struggle to control drug abuse and traffic is therefore one where the analogies of war and victory are misleading, because there is no peace. As a well-known comic strip character announced some time ago, “we have met the enemy and he is us.” The problem will always be with us.

The need for international cooperation

Each country must wage this unending campaign on its own ground. Yet our Commission has felt the need to examine opportunities for cooperation among the countries of the hemisphere for several reasons.

First, the international aspects of controlling drug abuse and traffic have been largely neglected by policymakers. The U.S. has in recent years devoted less than 5 percent of its drug control funds to international programs. While the input for international efforts has been low, the friction generated has been high - and the output disappointing.

Production and traffic in illicit drugs have been increasing in volume. And international efforts to contain the drug trade have become the most contentious point in U.S. relations with such countries as Mexico, Colombia, Peru, and Bolivia.

The initial efforts of countries in the hemisphere to collaborate in countering the drug problem have been hampered by an atmosphere of conflict and recrimination based on perceptions that are simplistic and appealing - and wrong, and therefore dangerous.

In the U.S. one still hears that:

- We can fix the problem when we can cut off supplies from Latin America - while in reality, U.S. consumers would turn to drugs produced in other parts of the world.
- The U.S. is a consumer only of drugs produced elsewhere - while in reality, the U.S. is a leading producer of marijuana, methamphetamines and other synthetic and pharmaceutical drugs.
- Latin Americans and other foreigners run the drug trade in the U.S. - while in reality, most of the big dealers operating within the U.S. are American citizens.
- A large scale, all-out war on drugs based on massive, even military force could halt the drug business - while in reality, force cannot halt demand for drugs or replace good police work.
- Latin American governments cannot stop drug production and traffic because their economies have become addicted to the income - while in reality, Latin

American societies would be better off without the drug business and all its burdens.

In Latin America one still hears that:

- Demand for drugs in the U.S. is so powerful that Latin American countries are powerless to counter production and traffic in their own lands - while in reality, strategic attacks on drug kingpins and production facilities can have significant effects.

- The need to curtail cocaine production will eventually pass because the U.S. will soon consume so much "ice" (smokable methamphetamine) and other synthetic substitutes that the preoccupation with cocaine will disappear. In reality, "ice" and other synthetics are not sweeping the U.S. market.

- The need to restrict drug trafficking will disappear because the U.S. will lose the political will to continue anti-drug campaigns and will eventually decriminalize drug consumption - while in reality, the American public and political leadership have maintained a strong consensus against any form of legalization.

- If the U.S. would reduce its demand for drugs, Latin America's drug problem would go away - while in reality millions of Latin Americans have become drug users and they won't stop just because U.S. consumption declines.

- The closeness of Latin American family life makes its children immune to drug abuse - while in reality, millions of Latin America's children abuse toxic substances and drugs largely because their families and societies have failed them.

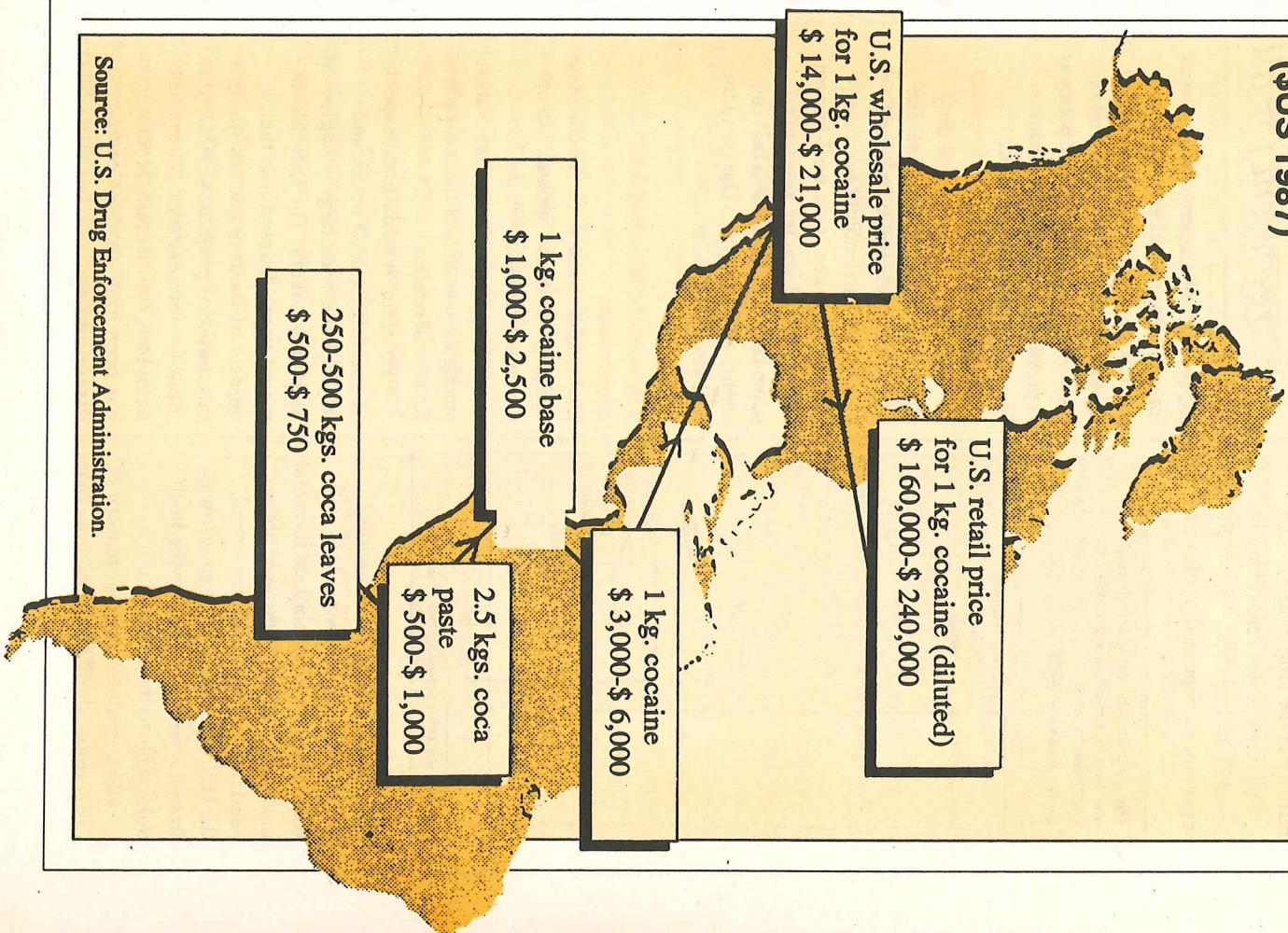
Our investigation thus brings us ineluctably to the conclusion that all these perceptions are wrong.

Strategies for international cooperation
In some of the most difficult areas, international collaboration in this hemisphere can best start at the

sub-regional level, particularly among the most significantly involved countries in the production and distribution chains for illicit drugs -Bolivia, Peru,

Where the profits are made

Selling prices for equivalent of one kilogram of cocaine at successive stages of trafficking (\$US 1987)



Source: U.S. Drug Enforcement Administration.

Colombia, Mexico and the United States.

Fortunately, the political tone of cooperation among these countries has improved as a result of several factors: greater attention by the U.S. to its own drug consumption; constructive political initiatives from current leadership in the Americas; and mutual recognition of the need to end a period of political recrimination regarding who is to blame for international drug traffic.

An important step has been taken against laundering of drug funds by the expansion of the original initiative of the Group of Seven industrial countries to twenty countries cooperating in the Financial Action Task Force. Pinpointing and confiscating the financial assets of drug traffickers is critical for undermining the stability of their criminal enterprises.

The drug cartels are increasingly mobile and adopt multinational enterprises which quickly absorb most blows against them, and adjust their processing and trafficking networks to take advantage of the openings still available to them.

When Colombia's 1989-90 attack on the Medellin cartel put many of its cocaine processing centers out of business, new ones sprang up in Bolivia and Peru. As the Peruvian government's authority has weakened in the Upper Huallaga Valley, coca leaf production has increased there and declined somewhat in Bolivia. As enforcement against traffickers has improved in the Caribbean, the major routes for shipping cocaine north have shifted to Mexico, and after a brief interlude money laundering has moved back to Panama.

Yet the national governments trying to respond to such rapid moves by the drug cartels have no consistent strategy for countering this

international network, and they consult very little with one another about their respective efforts and activities. A central objective of a regional strategy to counter the cocaine trade should be inflicting greater damage on the processing and distribution networks through coordinated national actions that deny safe havens in neighboring countries for escape from national enforcement efforts.

This is one of several areas in which key countries of the hemisphere require a forum for coordinating their efforts - through sharing intelligence about processing centers and distribution channels, and sharing assessments of the regional impacts of enforcement actions taken within any one country. Only on this basis can countries take advantage of the synergy of simultaneous enforcement actions and anticipate and defend themselves against the likely reactions of processors and traffickers seeking to make up in one country what they lose in another.

Europe and Japan, a trend that is likely to accelerate in the future. In fact, growing demand for cocaine in Europe may become a major threat to a potentially successful regional cocaine strategy.

In general we see merit in a more collaborative and multilateral approach to strategies for the control of drug supplies in the hemisphere. Bilateral standards and bilateral sanctions corrode such collaboration. In particular, the certification under U.S. law of the adequacy, and implicitly the sincerity, of the anti-drug programs of other friendly democracies has proved harmful to the development of stronger cooperation in the region.

It is only through effective regional collaboration that nations of the Americas will be able to meet the multiple challenges posed by drug abuse and trafficking.

New opportunities

In summary, members of the Inter-American Commission believe that present conditions offer especially auspicious opportunities

Growing numbers of abandoned street children are inhaling solvents, glue, and gasoline or smoking adulterated forms of cocaine to an alarming extent

Such a forum could also develop a hemispheric system of data collection and some coordinated goals for reducing production. While its principal focus should be on the drug trade within the Western Hemisphere, the forum should include European and Japanese authorities.

We have already seen that Colombian cartels have reacted to declining cocaine use in the U.S. by more aggressive marketing in

for effective multilateral cooperation on drug policy. This is so for three reasons:

First, the declining incidence of illicit drug use in the United States has begun to shrink the international market for drugs - and demonstrates the workability of demand-reduction programs.

Second, the United Nations 1988 Vienna Convention provides a coherent set of norms and standards for multilateral collaboration. The



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modest beginnings of consultation among Andean countries also provides a potential framework for active coordination and mutual reinforcement.

And third, the Andean Strategy of the U.S. government has, for the first time, budgeted sizable and increasing sums for international

programs over the next several years. For the 1990 fiscal year the Strategy entailed U.S. \$265 million for military, security, and economic assistance for Colombia, Peru, and Bolivia; the 1991 total is U.S. \$370 million; for 1992 it will be nearly U.S. \$500 million. In addition, Latin American countries, with some incentive from the U.S., could mobilize significant additional funding by confiscating and monetizing the assets of drug traffickers.

Notwithstanding widespread constraints on public expenditures,

funds can be found for anti-drug campaigns. The important point is to make sure that they are used in constructive and effective ways, not on programs that are ineffective and wasteful. Now is the time to seize the opportunities.

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(Affiliations are listed for identification purposes only. Ideas and recommendations in this report are the views of the individual commission members, not the policies or programs of their respective organizations.)

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