



Cato Institute Foreign Policy Briefing No. 26: Declaring an Armistice in the International Drug War

July 26, 1993

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Executive Summary

There is increasing speculation that the Clinton administration may be willing to reconsider some components of Washington's sacrosanct war on drugs. Prominent drug warriors are certainly worried about that possibility. Former drug czar William Bennett has already condemned the president for failing to take the crusade against illicit drugs seriously. New York Times columnist A. M. Rosenthal goes even further, warning that "the concept of a war against drugs is in danger of being dismantled," resulting in "creeping legalization."[\[1\]](#)

The administration's actions have thus far provided mixed signals. One of Clinton's first decisions was to trim the staff of the White House Office of National Drug Control Policy--which had ballooned under President Bush to 146 members--by 80 percent. Attorney General Janet Reno has also ordered a review of federal prosecution and sentencing guidelines to determine whether minor drug offenders are being forced to serve excessively lengthy prison terms. Mandatory minimum-sentencing requirements have clogged the prison system, in some cases leading to the perverse result of releasing violent felons early to free cells for drug offenders.

On the other hand, at the same time he reduced the staff of the Office of National Drug Control Policy, the president elevated the director's post to cabinet rank. His choice for drug czar, New York City police commissioner Lee Brown, flatly rejects suggestions that the government consider legalization as an option, as Clinton himself did during the 1992 campaign. Even more sobering, the \$13.04 billion drug-war budget the president presented to Congress in April continued the spending patterns of his predecessors, much to the disappointment of those who looked for tangible evidence of new thinking.

Disenchantment with the International Drug War?

Signs are equally mixed concerning the administration's attitude toward the international phase of the drug war. A key component of the anti-drug crusade during the Reagan-Bush years was an effort to eliminate the supply of drugs flowing from Latin America, the source of approximately 80 percent of the illegal drugs entering the United States. Washington's supply-side campaign culminated in the adoption in 1989 of the Bush administration's ambitious "Andean Strategy," which pledged greater U.S. financial support for the anti-drug programs of Colombia, Peru, and Bolivia--especially the eradication efforts conducted by their police and military forces.[\[2\]](#) Repeated claims of progress were belied by mounting evidence that the hemispheric drug war was failing to achieve meaningful reductions in trafficking. Even worse, Washington's coercive measures caused horrendous social and economic problems in the drug-source countries, undermined their fragile democratic political systems, and poisoned U.S. relations with nations throughout Latin America.

It appears that the new administration is abandoning the crusading rhetoric of the Reagan-Bush era. There are also indications that the supply-side campaign will have a lower priority--the State Department's Bureau for International Narcotics Matters is being folded into a new division that will also be responsible for issues related to terrorism and

international crime, for example. However, it is not clear whether officials will opt for a radical shift in policy or merely make cosmetic changes.^[3] Some U.S. policymakers apparently recognize that the international phase of the drug war has been an exercise in destructive futility. "It's clear that we need some rethinking," conceded one official.^[4] Emboldened Latin American political leaders are now openly voicing that opinion, too. "The Peruvian-American anti-drug policy has failed," Peru's president Alberto Fujimori stated bluntly in an interview with Western reporters. "For 10 years, there has been a considerable sum invested by the Peruvian government and another sum on the part of the American government, and this has not led to a reduction in the supply of coca leaf offered for sale. Rather, in the 10 years from 1980 to 1990, it grew 10-fold."^[5]

What is true of Peru has been equally evident in other drug-source countries. An ABC News special hosted by Peter Jennings on the much-touted drug war in Bolivia reached a harsh conclusion.

The American ambassador in Bolivia told us, "I am optimistic we are going to win this. The Bolivians are going to win this, and we're going to help." But nothing we saw in Bolivia supports that. Even when the DEA [Drug Enforcement Administration] raids labs, even when they seize planes, even when they catch the traffickers, the bottom line remains the same--they are not stopping the flow of cocaine from Bolivia to the United States.

Until now, the U.S. government has been fooling itself, and fooling us, into believing it has a strategy that will work, and that is what we hope President Clinton understands. . . . The cocaine war in Bolivia is already lost.^[6]

It is not certain, however, that President Clinton and his advisers fully comprehend the magnitude of the failure of Washington's drug policy in Latin America. They do seem to understand that bringing the U.S. and Latin American militaries into the drug war was a mistake. One senior U.S. official concludes, "The Bolivian military has never done anything whatsoever against narcotics traffickers, nor will it." In Peru, "not only has the army not done anything, it actually supports the traffickers." The Colombian military "has not been very effective either." He charges that Latin American military organizations were "only interested in getting the goodies and the guns" from the United States while pretending to combat the drug trade.^[7] Nevertheless, another senior official insists that a strong interdiction program must continue and that the administration should not give the impression to Latin American political elites that Washington has written off the drug war.

It is crucial for the Clinton administration to recognize that the problems associated with the militarization of the drug war under Reagan and Bush are only one facet of an overall policy fiasco. The United States is asking Latin American governments to do the impossible: wage war on a drug trade that now represents a vital part of their economies and around which have arisen powerful political constituencies. Incumbent governments typically respond to U.S. pressure by conducting an elaborate charade--pretending to battle drug traffickers (and milking the United States for aid moneys) while avoiding actions that might truly damage the commerce in drugs. (Whenever regimes have gone beyond that point, as Colombia's did in its recent campaign against the Medellin cartel, trafficking organizations have retaliated by assassinating officials, planting bombs, and taking other measures that threaten to produce social chaos.)

Ironically, the drug trade has become so economically and politically entrenched in Latin America primarily because of the enormous black-market premium (potential profit) caused by Washington's domestic prohibitionist strategy. Unless that point is recognized and acted upon by U.S. policymakers, there is little hope for improvement.

Eradication and Interdiction: Exercises in Futility

Each year the U.S. State Department issues its International Narcotics Control Strategy Report (INCSR)--this year, appropriately enough, on April 1. Those reports invariably express optimism about "progress" in the international drug war. Just as invariably, much of the government's own data contradict that official optimism.

The most damning piece of evidence in the current report is the continuing rise in the supply of cocaine. Although State Department officials attempt to put the best spin on the unfavorable statistics, the 1993 INCSR reveals that estimated coca cultivation rose to a record 216,987 hectares. Nor is there much comfort in the amount of eradication, which fell from a meager 6,538 hectares in 1991 to an even more meager 5,287 hectares in 1992.^[8] The notion that losses of barely 2.5 percent of the cultivated acreage cause growers--much less the leaders of drug-trafficking organizations--serious concern is highly dubious.

The data on coca-leaf production should be equally depressing for drug warriors. Production attained record levels in 1992, reaching an estimated 336,300 metric tons.[\[9\]](#) Illustrating the long-term trend, the comparable figure in 1984 was 121,775 metric tons.[\[10\]](#) Although small declines were registered in both opium and marijuana crops, production figures for the former were still 30 percent higher than five years earlier. In the case of marijuana, the alleged declines are extremely suspect. Even the INCSR acknowledged that there "may be considerable undetected cannabis cultivation" outside of Latin America--a point that independent drug analysts have made for some time.[\[11\]](#)

Washington's interdiction efforts have produced equally dismal results. U.S. officials have built radar listening posts and base camps in the Andean countries, have increased Navy and Coast Guard patrols, and constantly monitor the air corridors between Latin America and the United States in an effort to disrupt drug-trafficking routes. Yet despite periodic media extravaganzas featuring large drug busts, only 5 to 15 percent of drug imports are seized by U.S. authorities. As in the case of eradicated drug acreage, losses of that magnitude are merely an annoyance to drug-trafficking organizations--part of the normal cost of doing business.[\[12\]](#) Indeed, as the 1993 INCSR concedes, the principal effect of U.S. eradication efforts has been to cause the traffickers to choose new routes and find new (often ingenious) ways of smuggling their product into the United States.[\[13\]](#) In the process, Latin American countries that had previously been able to largely steer clear of the drug trade now find themselves deeply entangled.

Washington's "Ugly American" Tactics

Not only have the eradication and interdiction components of the U.S.-orchestrated war on drugs been futile, they have created needless tensions and animosity in Washington's relations with Latin American countries. One of the most urgent tasks facing the Clinton administration is to repair the damage caused by the bullying tactics of its predecessors.

Although U.S. officials like to stress the economic-aid component of the war on drugs--symbolized by the 5-year, \$2.2-billion Andean Strategy--there have always been more "sticks" than "carrots" in Washington's policy. An especially potent form of coercion is the threat to impose economic sanctions. The Drug Abuse Acts of 1986 and 1988 require "source" countries (drug-producing or drug-transiting nations) to participate in eradication and interdiction programs to be eligible for trade preferences (as well as foreign aid programs). Congress mandated an annual "certification" by the president of adequate cooperation. If the president declines to certify that a drug-source country is in compliance--or if Congress overrules his certification--some sanctions go into effect automatically while others can be imposed at the option of the president.

The threat of decertification is a powerful political weapon against Latin American governments, since their countries are heavily dependent on access to the U.S. market. Indeed, messages of U.S. displeasure are sometimes conveyed to hemispheric regimes even when their cooperation is officially certified. In its 1988 drug strategy report to Congress, for example, the State Department stated that although it would certify Colombia and Mexico as "fully cooperating," it also was "sending a signal" to both countries that it was concerned about continuing deficiencies.[\[14\]](#) Only the most obtuse Colombian or Mexican officials would have failed to discern the underlying threat: unless more enthusiastic cooperation was forthcoming, the next report might recommend decertification and its attendant penalties.

Threats of economic sanctions provide the foundation for other bullying tactics. Washington's coercion of Latin American governments has shown an appalling disregard of their political sovereignty and their fears of U.S. domination. The incessant pressure on Colombia to agree to extra dite accused drug traffickers to the United States for trial, even though Colombians across the political spectrum regard such a step as inconsistent with national honor and sovereignty, is one example. During the Reagan and Bush years, U.S. ambassadors in source countries also repeatedly demanded that officials they suspected were involved in drug trafficking--or merely opposed the war on drugs--be dismissed.

An interview by ABC News correspondent Peter Jennings with Bolivian president Jaime Paz Zamora suggested the extent of U.S. "influence" on political appointments in that country.

JENNINGS: Does the American ambassador in Bolivia have the power to make or break police officers, military officers, even politicians?

ZAMORA: [through interpreter] Without a doubt.

JENNINGS: Does this mean that if the U.S. ambassador doesn't like a man you've appointed to government, he can ask you to get rid of him? ZAMORA: [through interpreter] Yes, in practice it works that way.[\[15\]](#)

Paz Zamora could have added that he would have virtually no choice but to accede to U.S. "requests." Indeed, less than two years earlier, three high-level officials in his government had been dismissed or forced to resign because of such pressure.[\[16\]](#) It was revealing that when Jennings asked the U.S. ambassador about the extent of his power, he did not deny that he could get rid of officials he deemed offensive.

Given the renowned sensitivities of Latin American populations to any signs of domination by the "Colossus of the North," such trampling on national sovereignty is playing with political nitroglycerine. The perception that U.S. ambassadors are modern-day proconsuls implementing Washington's imperial edicts could not only undermine the legitimacy of the hemisphere's embryonic democratic governments, it could easily reawaken virulently anti-U.S. emotions throughout the region. An assortment of radical leftist movements--most notably the Shining Path in Peru and Marxist insurgents in Colombia--are eager to exploit such an opportunity.

The most odious example of Washington's "Ugly American" tactics was the U.S.-sponsored kidnapping of Mexican physician Humberto Alvarez Machain, whom the Drug Enforcement Administration accused of participating in the 1985 torture and murder of a DEA agent, Enrique Camarena. Frustrated by problems in getting the Mexican government to extradite Alvarez to the United States for trial under provisions of the treaty between the two countries, the DEA offered a bounty for his kidnapping, a lure that ultimately produced the desired result in 1990. The U.S. Supreme Court finally considered the sordid affair in June 1992 and ruled that the extradition treaty did not bar U.S. authorities from using other means to bring an accused party to trial.

From the standpoint of constitutional law, the Court's decision was relatively narrow. The majority did not pass judgment on whether it was wise policy in terms of U.S. relations with hemispheric neighbors.[\[17\]](#) Throughout Latin America, however, the Court's ruling was widely interpreted as giving a green light to the executive branch to apprehend accused drug traffickers without the consent of the host countries. Ill-considered comments by Bush administration officials exacerbated that fear, and the Alvarez case became a new symbol of Yankee arrogance in the minds of many Latin Americans.

The aftermath of Alvarez's criminal trial made matters even worse. To the chagrin of the DEA, a federal judge acquitted the accused with caustic comments about the weakness of the government's case. Instead of quietly accepting defeat, Washington then demanded that Mexico put Alvarez on trial to honor the spirit of the extradition treaty--the same treaty U.S. officials had circumvented up to that point. Not only did the demand deserve a prize for chutzpah, it again inflamed anti-U.S. sentiment in Mexico and elsewhere in the hemisphere.

Crop Substitution: The Illusion of Change

Although Clinton administration officials seem willing to abandon the worst "Ugly American" tactics--they have, for example, assured Mexico there will be no repetition of Alvarez-style incidents[\[18\]](#)--it is uncertain whether they will take the essential step of calling a halt to the hemispheric war on drugs. The worrisome possibility exists that the administration may respond to mounting evidence that eradication and interdiction programs have failed by clinging to the third element of the supply-side strategy: crop substitution. That program is especially likely to appeal to liberals who have been enthusiastic boosters of foreign aid to developing nations. Crop substitution appears to be a more humane way of waging the drug war--giving Latin American campesinos viable economic alternatives to participation in the illicit cocaine or marijuana trade.

The record of crop-substitution programs should dissuade administration leaders from embracing that panacea. Neither the narrow version (providing financial subsidies to induce farmers to switch to legal crops) nor the broader concept (providing infrastructure assistance to make legal agricultural--and nonagricultural--enterprises economically feasible) has achieved worthwhile results.

Over the years, U.S. officials have worked with their Latin American counterparts to induce growers to abandon the cultivation of drug crops for legal alternatives. They have suggested a prolific array of substitutes, including bananas, maize, rice, coffee, citrus fruit, and various grains. Economic realities invariably doom such efforts. Farmers can make at least 4, and often more than 10, times the income growing coca that they can raising legal crops.[\[19\]](#) Drug crops have other important advantages. Coca and marijuana can be grown in remote regions with poor soil--places in which alternative crops are not economically feasible. Drug crops can also yield faster returns. Coca can be harvested 18 months after planting, while many alternative cash crops require 4 or more years from planting to first harvest.

Finally, drug-crop growers do not have to deal with the oppressive agricultural regulatory systems that growers of legal crops must endure. In many Latin American countries, the ability to export agricultural products is constrained by a maze of bureaucratic restrictions. Drug-crop growers escape the arbitrary and typically below-market prices set by government marketing boards, as well as export levies, administrative fees, paperwork, and other hassles. Buyers for trafficking organizations merely cart off their crops and pay them well. Not surprisingly, many Latin American farmers prefer to do business that way.

Even if current coca and marijuana growers were willing to take their fields out of production in exchange for U.S. financial largess, there is little to stop other entrepreneurs from entering the market. Indeed, even current producers can simply pocket the money and set up operations elsewhere. There are indications that Bolivian and Peruvian participants in crop-substitution programs have done just that.[\[20\]](#) Ironically, U.S. aid may provide growers with additional capital to expand their production. Likewise, aid moneys to improve the transportation infrastructure in recipient countries by building modern roads into remote areas make it easier for coca and marijuana farmers to get their crops to market and may open new areas to drug cultivation.

Ending an Unwinnable War

Just as the Clinton administration should not succumb to the illusion that merely changing the strategic mix in the supply-side phase of the drug war will substantially improve matters, it should not indulge in similar fantasies about the domestic phase. Yet that is the most likely scenario. The administration seems inclined to place somewhat greater emphasis on treatment programs than on drug busts. Officials may also devote more resources to targeting major traffickers while quietly working to modify the draconian statutes requiring mandatory minimum prison terms for small-time offenders. Although such reforms would be a slight improvement over the actions taken during the Reagan and Bush years, they would not fundamentally alter the situation.

The Clinton administration must overcome the temptation to continue pursuing a prohibitionist strategy in a more "humane" guise. Such a false option will do little to halt the turf fights being waged by rival drug gangs on the streets of America's cities. It may slow but will not stop the evisceration of constitutional rights by the DEA and other agencies.[\[21\]](#) At best, it will have only a marginal impact on prisons that are now filled to overflowing with drug-law violators. And it will do little to change the perverse incentives that have made the drug trade a powerful force in the political and economic systems of our Latin American neighbors. Only by adopting a policy of legalization can the Clinton administration have a decisive, positive effect on such problems.

Washington's drug war in both its domestic and international incarnations has produced calamitous results. The modest declines in consumption among casual middle-class users registered in recent years do not even remotely offset the terrible societal costs inflicted on the American people and the populations of other countries. After waging a futile crusade for more than two decades, Washington should seek peace. It should begin by declaring an armistice in the supply-side campaign throughout the Western Hemisphere. Washington must no longer engage in the demeaning and destructive practice of alternately bribing and threatening its neighbors to get them to do the impossible.

The Clinton administration has an unparalleled opportunity to break decisively with the failed drug-war policies of its predecessors. On no other issue is the need for new thinking more urgent.

Notes

[1] A. M. Rosenthal, "Dismantling the War," *New York Times*, May 18, 1993, p. A21. For an even more alarmist assessment, see Leonard E. Larsen, "Strategy Shift in the Drug War?" *Washington Times*, May 15, 1993, p. C1.

[2] Critical discussions of the hemispheric drug war during the Reagan and Bush administrations include Ted Galen Carpenter, "The U.S. Campaign against International Narcotics Trafficking: A Cure Worse than the Disease," Cato Institute Policy Analysis no. 63, December 9, 1985; Ethan A. Nadelmann, "U.S. Drug Policy: A Bad Export," Foreign Policy 70 (Spring 1988): 83-108; Rensselaer W. Lee, *The White Labyrinth: Cocaine and Political Power* (New Brunswick, N.J.: Transaction, 1989); Ted Galen Carpenter and R. Channing Rouse, "Perilous Panacea: The Military in the Drug War," Cato Institute Policy Analysis no. 128, February 15, 1990; Peter Andreas et al., "Dead End Drug Wars," Foreign Policy 85 (Winter 1991-92): 106-28; "The Andean Strategy Reconsidered: Toward a Sensible International Drug Policy," Drug Policy Foundation, Washington, March 1992; and Ian Vasquez, "Ending Washington's International War on Drugs," in *Market Liberalism: A Paradigm for the 21st Century*, ed. David Boaz and Edward H. Crane (Washington: Cato Institute, 1993), pp. 325-38.

[3] Carla Anne Robbins, "Drug War Tactic Shifts as Clinton Aims to Curb U.S. Demand Instead of Supply," *Wall Street Journal*, February 22, 1993, p. A6.

[4] Quoted in Don Podesta and Douglas Farah, "Drug Policy in Andes Called Failure," *Washington Post*, March 27, 1993.

[5] Quoted in *ibid.*

[6] "Peter Jennings Reporting: The Cocaine War, Lost in Bolivia," ABC News, December 28, 1992, transcript, p. 14.

[7] Podesta and Farah.

[8] U.S. Department of State, Bureau of International Narcotics Matters, *International Narcotics Control Strategy Report (INCSR)* (Washington: U.S. Department of State, April 1993), p. 15.

[9] *Ibid.*, p. 16.

[10] U.S. Department of State, Bureau of International Narcotics Matters, *INCSR Summary* (Washington: U.S. Department of State, February 1, 1985).

[11] U.S. Department of State, Bureau of International Narcotics Matters, *INCSR*, April 1993, p. 14.

[12] For discussions of the long-standing failure of interdiction efforts, see Peter Reuter, *Sealing the Borders: The Effects of Increased Military Participation in Drug Interdiction* (Santa Monica, Calif.: RAND Corporation, 1988); General Accounting Office, "Drug Control: Impact of DoD's Detection and Monitoring on Cocaine Flows," September 19, 1991; Mathea Falco, "Foreign Drugs, Foreign Wars," *Daedalus* 121 (September 1992): 7-8; and Louis J. Rodriguez, "Drug Control: Increased Interdiction and Its Contribution to the War on Drugs," Testimony before the Subcommittee on Treasury, Postal Service and General Government, Senate Committee on Appropriations, February 25, 1993, pp. 1-8. Rodriguez is the director of systems development and production issues for the General Accounting Office.

[13] U.S. Department of State, Bureau of International Narcotics Matters, *INCSR*, April 1993, pp. 2, 6.

[14] "Presidential Certification of Narcotics Source Countries," *Department of State Bulletin*, June 1988, p. 48.

[15] "Peter Jennings Reporting," p. 10.

[16] Michael Isikoff, "U.S. Protests Bolivia's Pick for Drug Unit," *Washington Post*, March 4, 1991, p. A8; Michael Isikoff, "Bolivian Aides Resign after Drug Charges," *Washington Post*, March 14, 1991, p. A32. More recently, the U.S. embassy sought to force a prominent parliamentary candidate from Paz Zamora's party to quit because of alleged ties to drug traffickers. "U.S. Hand Stirs Controversy in Bolivian Election Campaign," *Financial Times*, June 4, 1993, p. 4.

- [17] Carlos Manuel Vasquez, "Misreading High Court's Alvarez Ruling," *Legal Times*, October 5, 1992, pp. 29-30.
- [18] Steven A. Holmes, "U.S. Gives Mexico Abduction Pledge," *New York Times*, June 22, 1993, p. A11.
- [19] Lee, pp. 26-27.
- [20] Inter-American Commission on Drug Policy, "United States Drug Policy toward Latin America," Report no. 194, 1991, p. 14.
- [21] For discussions of that issue, see Terrance G. Reed, "American Forfeiture Law: Property Owners Meet the Prosecutor," *Cato Institute Policy Analysis* no. 179, September 29, 1992; and Steven Wisotsky, "A Society of Suspects: The War on Drugs and Civil Liberties," *Cato Institute Policy Analysis* no. 180, October 2, 1992.