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United States Department of State

*United States Permanent Mission to the  
Organization of American States*

*Washington, D. C. 20520*

March 20, 1986

MEMORANDUM

TO: See Distribution List

FROM: Lowell R. Fleischer  
U.S. Mission to the OAS  
Department of State

SUBJECT: Background Documents for the Inter-American  
Specialized Conference on Traffic in Narcotic Drugs

Additional background documents on the Inter-American Specialized Conference on Traffic in Narcotic Drugs are attached.

Attachments:

As stated.

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Mr. P. Peter Sarros  
Ms. Susan Salem  
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Mr. Charles Saphos  
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Mr. Richard Sackett

INTER-AMERICAN SPECIALIZED CONFERENCE  
ON TRAFFIC IN NARCOTIC DRUGS

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# ORGANIZATION OF AMERICAN STATES



## INTER-AMERICAN SPECIALIZED CONFERENCE ON TRAFFIC IN NARCOTIC DRUGS

FIRST MEETING  
April 22, 1986  
Rio de Janeiro, Brazil

OEA/Ser.K/XXXI.1  
CEIN/doc.7/86  
12 February 1986  
Original: English

SOCIO-ECONOMIC STUDIES FOR  
THE INTER-AMERICAN  
SPECIALIZED CONFERENCE  
ON DRUG TRAFFIC

1)



**LXXXV REGULAR MEETING OF CEPCIES**  
**October 31, 1985**  
**Washington, D.C.**

**OEA/Ser.H/XIV**  
**CEPCIES/1238**  
**October 21, 1985**  
**Original: English**

**SOCIO-ECONOMIC STUDIES FOR THE INTER-AMERICAN SPECIALIZED  
CONFERENCE ON DRUG TRAFFIC**

(1)



**SECRETARIAT NOTE**

The document includes the letter from the Executive Secretary of Economic and Social Affairs requesting instructions from the Chairman of CEPCIES on the submission to the Permanent Council of the Socio-Economic Studies for the Inter-American Specialized Conference on Drug Traffic, included as appendix II. This document also includes the relevant resolutions on Drug-Traffic, as appendix I.

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TRANSLATION

September 24, 1985

Mr. Ambassador:

I am pleased to enclose, for the Permanent Executive Committee of the Economic and Social Council (CEPCIES), Spanish and English copies of the study prepared by this area in compliance with the mandate of the General Assembly in Resolution AG/RES.699 (XIV-0/84) relating to the preparation of the Inter-American Specialized Conference on Drug Traffic. Operative paragraph No. 4 of that resolution instructed "the Permanent Executive Committee of the Inter-American Economic and Social Council, to submit in consultation with other organs of the inter-American system, a study to the Specialized Conference that will identify socioeconomic development alternatives to the problem created by the elimination of surplus coca crops, propose measures to reduce demand, devise inter-American cooperation mechanisms in this regard and urgently consider the establishment of a specialized regional fund to provide assistance to the member states affected by this problem."

The appended study was prepared by the Executive Secretariat in Consultation with specialists of the General Secretariat, other specialized organs of the inter-american system and outside consultants.

I would appreciate instructions from CEPCIES to submit this study to the Permanent Council, which, in accordance with operative paragraph No. 3, was entrusted by the General Assembly to make the preparations for the Inter-American Specialized Conference on Drug Traffic.

Sincerely,

Julio C. Gil-Garcia  
Executive Secretary for  
Economic and Social Affairs

Your Excellency  
Ambassador Fernando Salazar Paredes  
Chairman, Permanent Executive  
Committee of the Inter-American  
Economic and Social Council  
Washington, D.C. 20006

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**Appendix I**

**RESOLUTIONS ON DRUG TRAFFIC**

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CIES/RES.315 (XIX-0/84)

COMBATING DRUG TRAFFIC

THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL,

HAVING SEEN:

The declaration of Quito on drug traffic, signed on August 11, 1984, by the Presidents of Bolivia, Ecuador, Venezuela, Colombia, the member of the Government Junta of Nicaragua, the Representative of the President of Peru and the President-elect of Panama; and

CONSIDERING:

That one of the purposes of the Organization of American States is to promote the economic, social, and cultural development of its member countries;

That it is a responsibility of the Inter-American Economic and Social Council (CIES) to promote measures for solving the serious and pressing problems that affect the economic and social development and stability of the member countries;

That drug traffic in the Americas has become a transnational problem which, in its manifold harmful aspects, affects the interests of the member states by creating an economic distortion due to a vile and degrading activity whose social consequences are contrary to the ideals of development enshrined in the Charter of the Organization;

That drug traffic is an activity that affects various states and cannot be solved solely by the individual efforts of such states;

That the possibility of convening a specialized inter-American conference on drug traffic, if necessary, is under consideration, and, to that effect, the member states are already studying a preliminary draft agenda covering, inter alia, the social and economic aspects of drug traffic;

That the illegal consumption of narcotics seriously harms the health of the people, and in particular that of young people, who have the task of building the future of our countries; and

That in accordance with the responsibilities assigned to it in the Charter, CIES must work together with the other organizations and agencies of the inter-American system in combating drug traffic and cooperate in the search for methods of economic and social development consistent with the principles embodied in the Charter.

**RESOLVES:**

1. To endorse the declaration of Quito and emphasize the importance of taking vigorous, urgent and collective measures that will halt the advance of and, if possible, eliminate drug traffic and related activities.

2. To offer, within its sphere of responsibilities, its full support in maximizing the efficiency of action by the Organization of American States and the institutions of the inter-American system in combating drug traffic, especially by seeking the development of the areas affected by the interest of this criminal activity by means of methods consistent with the principles embodied in the Charter of the Organization.

3. To request the Permanent Council, in consultation with other organs of the inter-American system, to identify pertinent cooperation mechanisms and report thereon to the fourteenth regular session of the General Assembly.

4. To request the General Assembly to make the subject of combating drug traffic an annual topic on its agenda, until such time as a solution is found, and that in the discharge of its functions it adopt such decisions and make such recommendations to the organs of the OAS and the institutions of the Inter-American System as are necessary for cooperating with the member states in their efforts to eradicate transnational drug traffic from the American continent.

5. To urge the member states to reply as soon as possible to the inquiry of the Permanent Council on the advisability of convening an inter-American specialized conference on drug traffic.

**AG/RES. 699 (XIV-0/84)**

**CONVOCACTION OF AN INTER-AMERICAN SPECIALIZED CONFERENCE  
ON DRUG TRAFFIC**

**(Resolution adopted at the eighth plenary session,  
held on November 17, 1984)**

**THE GENERAL ASSEMBLY,**

**HAVING SEEN:**

The Declaration of Quito against Traffic in Narcotic Drugs, signed on August 11, 1984, by the Presidents of Bolivia, Colombia, Ecuador, and Venezuela; the representative of the President of Peru; the President elect of Panama; the Coordinator of the Junta for National Reconstruction of Nicaragua; and the Vice President of Panama;

The documentation presented by the Permanent Council on the topic of drug traffic (AG/doc.1825/84);

Resolution CIES/RES. 315, adopted by the Inter-American Economic and Social Council at its Nineteenth Annual Meeting at the Ministerial Level;

Resolution CIECC-659/84, adopted by the Inter-American Council for Education, Science, and Culture at its Fifteenth Regular Meeting;

Resolution CIM/RES. 83/84 (XXII-0/84), adopted by the Inter-American Commission of Women at its Twenty-second Assembly of Delegates;

Resolution CPN/13 (16/84), adopted by the Sixteenth Pan American Child Congress, a Specialized Conference of the Inter-American Children's Institute;

The Draft Convention on the Traffic in Narcotic and Psychotropic Drugs and Related Activities, presented by the Government of Venezuela (AG/doc. 1758/84); and

The proposal of the Government of Colombia to study the establishment of a fund to provide assistance to member states affected by drug traffic (AG/doc.1759/84),

**DECLARES:**

That drug traffic is a crime that affects all of mankind, with all the legal consequences that this implies; and

**CONSIDERING:**

That it is the duty of the member states of the Organization to cooperate with each other in the broadest spirit of solidarity to solve their political, economic, and social problems;

That the problem of illegal production, illicit traffic, and unlawful consumption of drugs is one of the most serious problems in the hemisphere, one that directly affects the economies, public health, social welfare, and even the political stability and the sovereignty of the affected governments and states;

That this transnational problem involves not only the producing countries but also consumer countries as well as those that function as transit and distribution points;

That the coordinated action of the member states is required in order to find immediate solutions to this scourge;

That, in view of the many-sided nature of the problem, an Inter-American Specialized Conference would be the most appropriate forum for plenipotentiary representatives of the governments of the member states to study, analyze, and propose realistic solutions to the problem and to adopt the necessary instruments for solving it; and

That the Permanent Council has sent the member states a draft agenda (CP/CG-1260/84, corr. 1) for an Inter-American Specialized Conference,

**RESOLVES:**

1. To convoke an Inter-American Specialized Conference on Drug Traffic to give full consideration to all aspects of the problem, to be held during the first quarter of 1986.

2. To authorize the Permanent Council to establish the time and place for the conference.

3. To instruct the Permanent Council to draft rules of procedure for the Specialized Conference, update the agenda, and submit both for consideration by the member states.

4. To instruct the Permanent Executive Committee of the Inter-American Economic and Social Council (CIES) to submit, in consultation with other organs of the inter-American system, a study to the Specialized Conference that will identify socioeconomic development alternatives to the problem created by the elimination of surplus coca crops, propose measures to reduce demand, devise inter-American cooperation mechanisms in this regard, and urgently consider the establishment of a specialized regional fund to provide assistance to the member states affected by this problem.

5. To request the Inter-American Indian Institute to present a study to the Specialized Conference on the social, cultural, medical, and economic effects of the use of coca on indigenous populations.

6. To instruct the Inter-American Children's Institute to present a study to the Specialized Conference on the problem of drug addiction among children and the youth of the Americas.

7. To instruct the General Secretariat to prepare, in consultation with the Inter-American Juridical Committee, by collecting and taking into account all the background material available on the matter, and on the basis of the draft convention presented by the Government of Venezuela, an inter-American draft convention against drug traffic for consideration by the Specialized Conference.

8. To instruct the Permanent Executive Committee of the Inter-American Council for Education, Science, and Culture (CIECC) to prepare a study on the educational aspects of prevention and control of the unlawful use of drugs, to be presented for consideration by the Specialized Conference.

9. To instruct the Permanent Council, until such time as an appropriate solution can be found, to include the topic "Drug Traffic in the Americas" on the agendas of the forthcoming regular sessions of the General Assembly and to inform the Assembly of progress achieved.

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CIES/RES. 344 (XX-0/85)

CAMPAIGN AGAINST THE DRUG TRAFFIC

THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL,

HAVING SEEN:

The mandates of the Inter-American Economic and Social Council [CIES/RES. 315 (XIX-0/84)] and of the General Assembly [AG/RES. 699 (XIV-0/84)] on the drug traffic; and

CONSIDERING:

That the drug traffic is a problem that has negative repercussions on the economic and social development of a number of member states;

That the studies with which the Permanent Executive Committee of this Council was charged by the General Assembly are now being prepared; and

That the search for solutions to this very serious problem has the highest priority,

RESOLVES:

1. To express its firm support of the actions begun by the Permanent Executive Committee of the Inter-American Economic and Social Council (CEPCIES) and the General Secretariat to comply with the mandates of the Inter-American Economic and Social Council [CIES/RES. 315 (XIX-0/84)] and of the General Assembly [AG/RES. 699 (XIV-0/84)].

2. To instruct CEPCIES to move rapidly to prepare the studies mandated on the drug traffic and submit them to the Specialized Conference through the Working Group of the General Committee of the Permanent Council, which is responsible for preparing for that conference.

3. To urge the Preparatory Committee to allocate in the 1986-87 Program-Budget the resources needed to hold the Specialized Conference on the Drug Traffic.

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**Appendix II**

**SOCIO-ECONOMIC STUDIES FOR THE INTER-AMERICAN SPECIALIZED  
CONFERENCE ON DRUG TRAFFIC**

2



Socio-Economic Studies for the Inter-American  
Specialized Conference on Drug Traffic

PREFACE

The General Assembly of the Organization of American States in Resolution AG/RES. 699 (XIV-0/84) convoked an Inter-American Specialized Conference on Drug Traffic to give full consideration to all aspects of "a crime that affects all mankind, with all of the legal consequences that this implies." In operative point 4 of this Resolution, it instructed "the Permanent Executive Committee of the Inter-American Economic and Social Council, to submit in consultation with other organs of the inter-American system, a study to the Specialized Conference that will identify socioeconomic development alternatives to the problem created by the elimination of surplus coca crops, propose measures to reduce demand, devise inter-American cooperation mechanisms in this regard and urgently consider the establishment of a specialized regional fund to provide assistance to the member states affected by this problem".

The General Assembly emphasized the gravity of illegal drug traffic in the consideration clauses of Resolution AG/Res. 699. It affirmed that "the problem of illegal production, illegal traffic and unlawful consumption of drugs is one of the most serious problems in the hemisphere, one that directly affects the economies, public health, social welfare and even the political stability and the sovereignty of the affected governments and states." It then found that "this transnational problem involves not only the producing countries but also consumer countries as well as those that function as transit and distribution points." It next established "that the coordinated action of the member states is required in order to find immediate solutions to this scourge." The General Assembly finally determined "that, in view of the many-sided nature of the problem, an Inter-American Specialized Conference would be the most appropriate forum for plenipotentiary representatives of the governments of the member states to study, analyze, and propose realistic solutions to the problem and to adopt the necessary instruments for solving it."

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To provide the necessary documentation for the consideration of the Inter-American Specialized Conference, in compliance with the mandate contained in clause 4 of Resolution AG/Res. 699, four studies have been prepared. Each is directly related to the other three, and the four together are intended to provide the information needed to understand the characteristics of coca production, traffic and consumption and to analyze the options available to the member states for inter-American cooperation to deal with the problem.

The four studies are:

- Study No. 1                      Economic and Social Development Alternatives to Problems Created by the Elimination of Surplus Coca Crops. After describing the characteristics of the production and traffic in coca and cocaine, an analysis is made of the experience in crop substitution for coca and other plants from which narcotic-drugs are derived. This is followed by the identification of socio-economic alternatives which the Organization might consider in seeking to eliminate the production of coca crops in excess of that needed for licit purposes.
- Study No. 2                      Measures to Reduce Demand. After analyzing available data on consumption of illicit cocaine in the Western Hemisphere, especially the United States and Canada, and Western Europe, proposals are set forth for possible inter-American actions to help reduce demand, including possible cooperation efforts to control the illicit profits made by the drug traffickers.
- Study No. 3                      Mechanisms for Inter-American Cooperation for the Control of Cocaine Traffic. After summarizing current world-wide and inter-American mechanisms which deal with the illicit drug problem, potential areas for inter-American cooperation are described for each of the five major segments of the coca/cocaine chain from (1) production, (2) processing coca into cocaine, (3) illicit

marketing, (4) cocaine consumption to (5) laundering of illicit profits. Possible inter-American mechanisms for cooperation to combat illicit cocaine traffic are then presented for the consideration of the member states, including the possible creation of an Inter-American Commission on Drug Traffic.

Study No. 4

Considerations Related to the Creation of a Specialized Fund to Provide Assistance to Member States Affected by this Problem. After reviewing the objectives for such a Specialized Fund and describing the structure and programs of the already established world-wide Fund administered by the United Nations, the United Nations Fund for Drug Abuse Control (UNFDAC), several options for inter-American action in connection with the proposed OAS Fund are spelled out for the consideration of the member states.

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STUDY N° 1

Economic and Social Alternatives to Problems Created  
by the Elimination of Surplus Coca Crops

In accordance with the instruction of the General Assembly to the Permanent Executive Committee of the Inter-American Economic and Social Council (CEPCIES) in operative paragraph 4 of Resolution AG/Res. 699 (XIV-0/84), this study serves "to identify socio-economic development alternatives to the problem created by the elimination of surplus coca crops" and to explore the feasibility of substituting coca cultivation in excess of that needed for traditional uses and licit purposes by other forms of income-producing economic activity.

For this purpose, the study will present:

- first, a profile of the supply of coca-cocaine, including the description of coca leaf cultivation, coca processing into illicit cocaine, the traffickers of illicit drugs, and the consequences of illicit drug traffic;
- second, an analysis of available experiences in the coca producing areas of the Americas of programs to reduce or control production of coca leaves as well as those efforts in the Western Hemisphere and other regions of the world to introduce alternative crops and economic activities to displace the production of other narcotic and psychotropic drugs; and
- third, based on the available conclusions from experiences to date, prospects for developing viable socio-economic alternatives which offer promise for substituting coca production with other crops or activities.

Section I

Profile of the Supply of Coca-Cocaine

Since the early 1970's, the narcotics derived from the coca leaf erupted as a major component in inter-American drug trafficking. Prior to 1970, these narcotics--coca paste and cocaine hydrochloride (HCL)--were relatively low volume, occasional items in a marketplace dominated by marijuana, heroin and psychotropic substances. Coca paste and cocaine are among the most pernicious of drugs, creating psychological dependence and psychological damage to users as spelled out in the introduction to Study N° 2, "Measures to Reduce Demand". These effects led the world community to include coca as one of the three specific plants to be controlled under the Single Convention on Narcotic Drugs of 1961, as amended by the Protocol of 1972.

The explosion in coca paste and cocaine use resulted in a massive increase in the cultivation of coca leaf. That cultivation has significant implications for the economies of the member countries of the Organization of American States. As a result, this Study will analyze:

1. The cultivation of the two species of coca plant in the arc of countries which make up the Amazon Basin and surrounding Andean region. Production in several countries illustrates that, even at its initial growing stage, control of coca requires inter-country cooperation and coordinated actions.
2. The coca farmers--who they are, where are they located and the impact of coca income on their lives.
3. The processing of coca leaf into illegal narcotics--how and where it is effected.
4. The illicit traffic in coca-cocaine. This is the core activity focused on in Resolution AG/Res. 699. This is a big business--perhaps, the largest and most profitable in the Hemisphere. It is a complex network which links grower to consumer and is run by drug overlords primarily based in Colombia and involves almost every OAS member country, either in the production, transit and/or consumption phases.
5. The impact of the coca-cocaine trade on the member states and their development. The astronomical profits reaped by the drug traffickers spawn corruption, crime and economic distortion which have as immediate a relevance for the inter-American system as the debt crisis or peaceful settlement of inter-country disputes.



The coca leaf has been part of the culture of the indigenous population of the Andean regions of South America for thousands of years. Archeological evidence has established that, as early as 2500-1800 BC, coca was an integral part of both their daily lives and their religious rituals. Coca was traditionally chewed in a process called acullico. Acullico, which is an accepted legal practice in some member states, supplies the required dietary in-take of calcium, iron and vitamin A, B<sup>2</sup> and E. It wards off the cold, numbs the pangs of hunger and restores energy levels. The acullico is so pervasive in some countries that a slang adaptation "aculli" has come to mean "a short break in the daily routine", in much the same vein as "the coffee break" is used in the 20th Century workplace. Beside acullico the coca leaf has a limited number of other licit uses as medicines, for soft drinks and as the base for tea or liqueur. These traditional uses require about 35,000 metric tons annually.

The possibility of developing other industrial applications has been explored; however, there has been very limited success to date. The High Level Commission named in November 1984 by the Secretary General of the OAS to examine the measures taken by the Bolivian Government to deal with the drug problem was advised by the Confederation of Private Employers of Bolivia (CEPB) that the experience to date is not promising and that identified new uses would only require a few hundred additional tons of coca leaf annually.

Since 1970, these traditional and other licit uses have been overshadowed by the demand generated in major world markets, especially the United States, for cocaine hydrochloride (HCL), in the vernacular of the drug trade "coke". By 1984, according to U.S. and U.N. sources, the illicit use of coca was many times greater than that for traditional and other licit purposes, reaching an estimated 104,000 to 147,000 metric tons. To produce this enormous crop, cultivation has spread from traditional areas to new zones, within and beyond the Andean region. It has distorted the agricultural economy of several member states. Coca has become the primary cash crop of a multitude of small farmers, the principal livelihood of thousands of middlemen and the domain of drug lords who have corrupted public officials and caused sufficient concern for the OAS member states to generate Resolution AG/Res. 699. To reduce this illegal production back to that needed for licit purposes, in accordance with the levels established by the International Narcotics Control Board, is the major challenge which this Study addresses.

#### 1. The Cultivation of Coca

The coca plant grows in a wide variety of ecological conditions. Its adaptability and its tenacity, including its relative resistance to disease and insects, make it a most attractive plant to small farmers. There are two species of the plant with a number of varieties; however, only a few have alkaloid content high enough for acullico and cocaine production.

The first species is *E. coca*, known as "Bolivian" or "Huafuco" coca. It is cultivated in the moist, tropical valleys on the eastern slopes of the Andes from Ecuador south to Bolivia. These species yields most of the world's cocaine supply.

A form of *E. coca* which has come to be known as "Epadu" is found in the Amazon lowlands. It has traditionally been grown on a small scale by certain Indian tribes. Recently traffickers have promoted large-scale cultivation among the Indians. This variety is weaker and shorter-lived than other varieties. It is more susceptible to disease and produces less foliage and lower alkaloid content. This variety unlike the others is reproduced by cuttings rather than through seedlings and does not persist in competition with secondary vegetation.

The second species is *E. novogranatense*, known as "Colombian" coca and often referred to as "hayo", was cultivated in pre-Colombian times on the Caribbean coast of South and Central America. It thrives in hot, seasonally dry climates and is highly resistant to prolonged periods of drought with great adaptability to different soils and climates.

One variety known as "Trujillo" or "Peruvian" coca is cultivated on the Peruvian desert coast and adjacent Andean foothills. This variety was preferred by the Incas for its superior flavor. The Coca Cola Corporation imports several hundred tons a year, using extracts from the plant for flavoring. This particular variety requires much more careful cultivation than others.

The commercial varieties of coca grow in a wide range of ecological conditions, from wet and tropical to desert climates. They prosper in soils with many textures, from poor to excellent fertility levels. They can persist in temperatures from 0° to over 40° centigrade. They thrive in elevations at less than 200 meters to those greater than 2,200 meters. In addition, the gradient of slope imposes no significant restriction on their cultivation apart from obvious difficulties in leaf picking, weeding and soil erosion; indeed, cultivation on gradients of slope in excess of 50° is not uncommon. Since they do not grow well in standing water, they are usually planted in rows laid out with the slope in order to facilitate drainage. Care is an almost ritualistic experience in many Andean regions; and, the campesinos are well-versed in tending the plant, including fertilizing, weeding and control of insects. Several fungi and other diseases attack the leaf, but none is known that kills the plants; and, the campesino has techniques for dealing with most of them. These varied ecological conditions exist throughout South America, and the coca plant is grown in almost all the countries. Commercially significant amount are known to be grown in Bolivia, Brazil, Colombia, Ecuador and Peru. Some small coca plots were found in Panama in 1984, and coca cultivation was confirmed in Venezuela in early 1985.

Estimates of coca leaf production are highly speculative. Not only is there usually limited accessibility to the fields which are frequently

clandestine but aerial surveillance is usually of limited utility since coca is often grown as an understory to citrus and other crops. The plant can be harvested several times a year, in most cases 3 to 4 times annually, during its life cycle of 15 to 30 years. This perennial may begin to bear coca leaf 6-18 months after planting, depending on the variety, and reaches full maturity after the second year, continuing to be productive throughout its life cycle. Chart N° 1 presents production estimates by country for 1984.

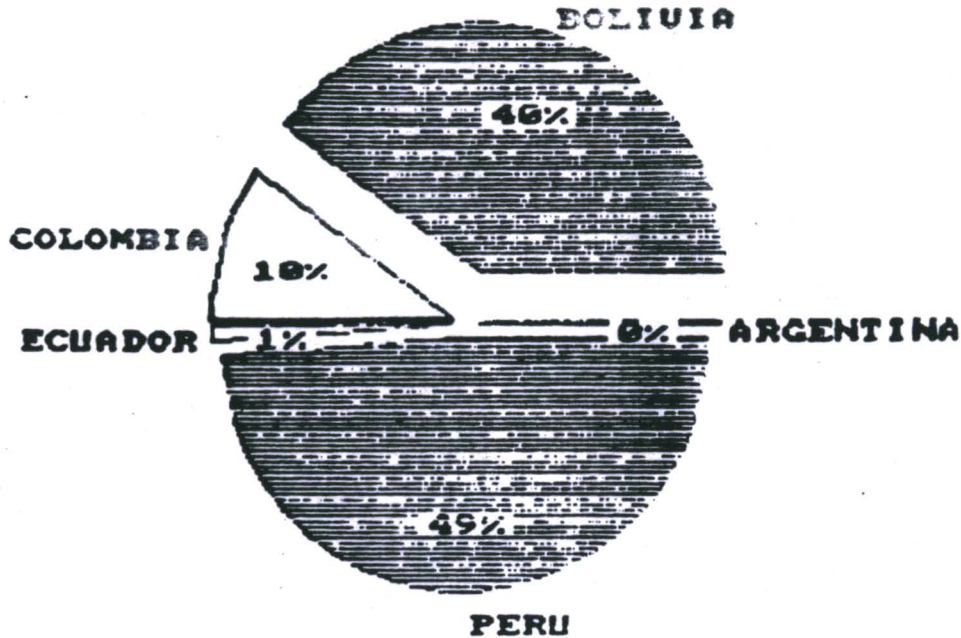
The yield per hectare of leaves varies greatly with the area of production. Dry leaf average yields are estimated at one metric ton per hectare in Ecuador and Peru; in Bolivia, at 1.4 metric tons; and in Colombia, .8 metric ton. The yields of Epadu in the Brazilian Amazon are less than in the Huallaga and Yungas; in addition, the alkaloid content of Epadu is 40 percent less than the average for other commercial varieties. Nonetheless, because Epadu reportedly costs the trafficker 60 percent less to purchase than the other varieties and in view of the huge potential Amazon area in which it can be grown, this variety has great appeal to those who organize the illegal traffic in cocaine.

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### CHART 1

## 1984 Coca Leaf Production by Country in Metric Tons\*



<u>COUNTRY</u>	<u>METRIC TONS/PER YEAR</u>	<u>% OF TOTAL</u>
ARGENTINA	12	.01 %
BOLIVIA	49,200	40.36 %
COLOMBIA	11,680	9.58 %
ECUADOR	895	.82 %
PERU	60,000	49.22 %
	121,787.	99.99 %

\* Based on midpoint estimates of field surveillance per country, but not including the production in Brasil, Panamá, and Venezuela for which estimates were not available.

Data based on aereal surveys indicate coca cultivation substantially greater than those from field surveillance; for example, in Bolivia, the production midpoint based on aereal survey data would be 70,372 metric tons.

SOURCE: Department of State, Bureau of International Narcotics Matters, "International Narcotics Central Strategy Report, Volume I, 1985".

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## 2. The Coca Farmers

The coca growers are concentrated in four current major coca producing areas: the Department of Cuzco and the Upper Huallaga Valley in Peru, and The Yungas and Chapare in Bolivia. Cuzco and the Yungas are the traditional growing centers and have been the source for its use as acullico. The Upper Huallaga Valley and Chapare are relatively new cultivation centers whose production is geared to meeting the demand for illicit drugs. In addition to these areas, there are some producers in Brazil, Colombia, Ecuador, Panama and Venezuela. Chart N° 2 provides a map of the coca growing areas and the major cocaine laboratory complexes.

Most of the coca grown in Bolivia, Colombia, and Peru until recently was used by the indigenous population. Due to increased demand created by the traffickers, commercial production for cocaine is now firmly established. It is expanding in these traditional growing locations and starting in non-traditional locations, most strikingly in the Chapare and the Amazon Basin.

In addition to the traditional farmers who cultivate coca, the profits have now attracted the "cultivador ambulante". This is a townsman who supplements his meager income with a clandestine plot of coca production in the nearby hills. He may tend these crops personally or contract for care by campesinos who are generally paid in coca leaf.

(3)





Chart 2

Coca Growing Areas and Major Cocaine  
Laboratory Complexes



Source: U.S. Department of Justice  
Drug Enforcement Administration

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Drawing on reports of the United Nations Division of Narcotic Drugs and the U.S. Department of State's Bureau of International Narcotics Matters, it appears that in Bolivia and Peru large numbers of farmers are engaged in raising coca. It would appear that coca may well be the primary cash crops for a substantial number, if not the majority, of small farmers in these two countries. The licensing systems set up by both Governments to restrict production to the amounts needed for licit purposes have not been enforced, and illicit cultivation in response to the premium prices paid by drug traffickers has mushroomed over the past decade. Information about the number of producers is very imprecise, and the following estimates are primarily provided to indicate the complexity of effectively cutting back production.

In Bolivia, in 1975, an expert's report to the US AID Mission on agricultural development in that country estimated that 70% of the farmers in the Chapare and the Yungas were involved in growing coca. It was further estimated that coca accounted for 60% of the total value of the agricultural product of the Chapare. In the Yungas, coca was planted on 25% of the cultivated land with over 50% on marginal land which offered little prospect for alternative production. How many more farmers are engaged in growing coca today in comparison to 1975 is unclear. However, in January 1985, the then Chief of the Bolivian Government Council to Fight Drug Traffic, Col. Carlos Fernandez, estimated that coca leaf cultivation in Bolivia increased from 35,897 metric tons in 1978 to 152,000 metric tons in 1984. Since production was in the Chapare and Yungas where small farms are the rule in accordance with the Bolivian land reform program, it is a reasonable presumption that there are more farmers cultivating coca in Bolivia today than in 1975.

In the case of Peru, it would appear that equally wide-scale involvement by small farmers exists. The principal raising areas are in Cuzco, La Libertad, Ayacucho and the Upper Huallaga Valley, with 75% produced in Cuzco and Huallaga. In 1979, the Government licensed some 25,000 farmers to raise legal crops; however, according to a 1980 survey prepared for the U.S. State Department's Bureau of International Narcotics Matters, an additional 70,000 farmers produced coca for the drug trade and about 80% of the farms in the Upper Huallaga Valley had some land in coca production. Reports on production by the U.N. Division of Narcotic Drugs over the last three years estimate substantial increases in production of coca leaf for illicit uses--and, since the evidence is that the producers are primarily small farmers, it can be assumed that the number engaged in cultivating coca in Peru has also increased.

In Brazil, Colombia and Ecuador, official and press reports indicate that a relatively small number of farms and farmers are engaged in coca production. Traditional use of the coca leaf in scullico in these three countries is much less widespread than in Bolivia and Peru.

The impetus for growing coca is the cash return. The High Level OAS Commission which examined the drug problem in Bolivia in November 1984 was advised by Bolivian and U.S. experts that in El Chapare a farmer cultivating coca could net up to US\$9,000.00 per hectare per year. The next most profitable crop identified by those experts was citrus which could net about \$500 per year starting in the fifth year after planting when the trees begin to bear fruit. Income from coca could be 19 times greater than the return for citrus. Based on all available studies, there is no crop from coffee to cacao that could be grown in these regions which compares with the net return of coca under present conditions.

The impact of coca on the farmer and the farm economy in the past several years cannot be overstated. The return from coca has been the difference between keeping the farm and migrating to the cities. Droughts and floods coupled with economic depression have effectively disrupted the agriculture markets of Bolivia and Peru. Some observers point out that whatever income the farmer has received, a major portion has come from the estimated US\$9,000 per hectare earned by coca. If indeed 10,000 hectares had been planted in coca, the estimated \$90,000,000 would probably represent a significant percentage of total farm income, especially in Bolivia. Some experts calculated the value of 1984 coca exports from Bolivia at over US\$2.2 billion, almost three times the reported legal exports from that country in 1983.

### 3. Processing of Coca Leaf

Over the past two decades, illicit drug use has displaced scullico as the primary market for coca leaf. The demand for scullico has remained constant, but with rapid urbanization occurring in all the Andean countries and a decrease in rural population, there is a reasonable expectation that scullico will trend downward.

However, illicit use has grown significantly over these two decades. Not only have the U.S. and European markets for cocaine hydrochloride been developed but in South America the phenomenon of smoking unrefined coca paste, with all its impurities, mixed with tobacco or marijuana in cigarettes known as bazuco or pitillo has become quite widespread.

The refining of the coca leaf into paste and then into cocaine hydrochloride (HCL) is relatively easy and highly portable, which makes interdiction very difficult. After the leaves are dried in the sun, usually by the farmers, they are soaked in water and kerosene to release their alkaloid content. Pounding on this mixture for several hours turns it into paste. The paste is then treated with sulfuric acid, lime, potassium permanganate and kerosene and then pressed. This paste left after the liquid is pressed out is the low grade cocaine base which becomes bazuco or pitillo, full of all the various impurities. This base is then sent to primitive factories or laboratories, often little more than sheds or pick-up trucks, where the impurities are removed with ether

and acetone. After a final filtering, the slurry is then dried. The product is cocaine hydrochloride--pure coke. This is then mixed with substances such as sugar, flour, talcum powder, or local anesthetics. It is now ready for market.

As is evident, none of the processing is very difficult. The product after each step is stable enough to be moved. There is evidence that more and more refining is occurring in the country-side where the leaf is grown in order to gain a higher price, cut out the middleman, and reduce transportation cost by eliminating bulk. Until very recently most of the refining was reportedly done in Colombia, and a great deal apparently still is. However, processing centers are increasingly being found in Argentina, Bolivia, Brazil, Ecuador, Peru and Venezuela. Because of the ease of processing, factories or laboratories can be readily moved; and, it has been difficult to pinpoint where they are located. Usually the factories or laboratories are found after they have been abandoned or destroyed by fire or explosion.

#### 4. Illicit Traffic in Coca-Cocaine

The coca trade is a complex operation which begins at the farm site. Each producer has his own contact point. Some small farmers continue to sell the coca leaf; others make the paste on the farm and sell the paste. For the sake of clarity, however, the following description of the drug chain presupposes that the grower merely raises the coca and sells it unprocessed. The in-country drug chain, which some observers estimate in Bolivia may involve over a million people, has the following five links:

- The small scale grower sells to a leaf convertor who makes paste and then sells the paste to:
- The intermediate buyer (who usually buys from one to twenty kilograms of paste) and sells to:
- The large buyer (who deals in 500-1500 kilograms of paste) and sells to:
- Domestic movers who, by truck, aircraft or boat, move those large quantities of paste out of the producing region either to:
- (1) Exporters who by truck, aircraft or boats, smuggle paste out of the country or (2) supply laboratories or factories which elaborate cocaine hydrochloride for domestic and/or international markets.

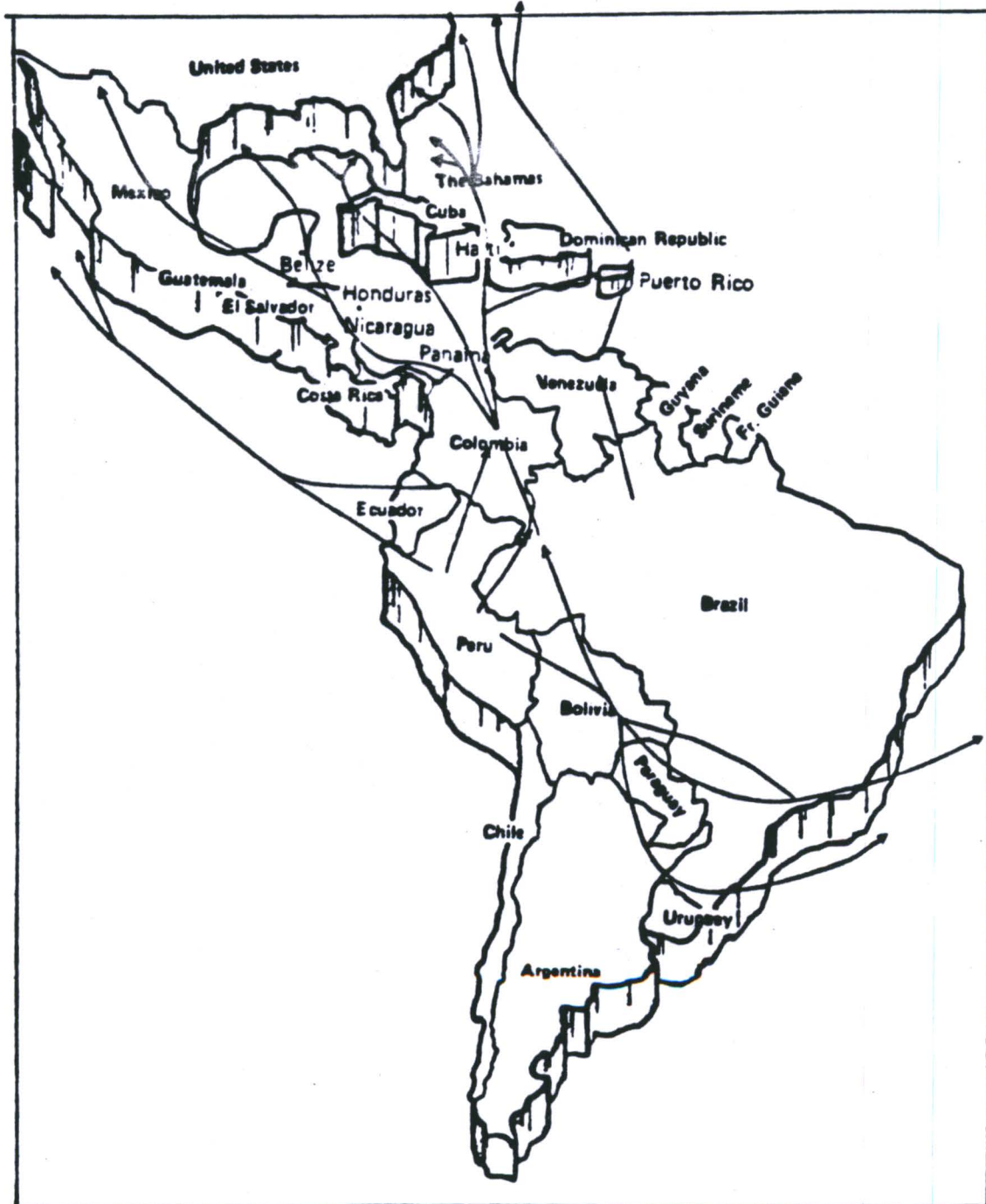
Informed reports indicate that most coca paste had until recently been refined to cocaine hydrochloride in Colombia and then moved through transit countries such as Mexico, The Bahamas, Panama and Ecuador to the U.S. market. In the past couple of years, as the Government of Colombia

established and enforced controls on the import and use of chemicals required to transform cocaine base into cocaine hydrochloride, known popularly as precursor chemicals, refining laboratories have now mushroomed in many countries of South America, with reports that Brazil and Argentina are emerging as large new refining centers. Because of the clandestine nature of processing, detection is very difficult. There are also reports that refining is increasing in Mexico, Panama and Miami. Law enforcement officials in the United States estimated that, in the early 1980's, 80 percent of the cocaine reaching the U.S. originated in Colombia, with 10-20 percent coming through Mexico. Because of the dynamic increase in effective law enforcement in Colombia and Venezuela, these numbers may no longer be accurate.

The Drug Enforcement Administration of the United States Government (DEA) estimates that 80 percent of the cocaine moves by commercial air and private aircraft and another 18 percent by sea vessels. Major transit countries through which cocaine moves en route to the United States are believed to include Belize, Panama, Ecuador, Argentina, Brazil, Venezuela, Mexico, The Bahamas and Jamaica. Law enforcement sources indicate that most cocaine to Europe goes via Brazil and Argentina. Chart N° 3 presents a map of these primary routes.

Chart 3

Cocaine Trafficking Routes



Source: U.S. Department of Justice  
Drug Enforcement Administration

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The organization of the international coca-cocaine network is reportedly complex. As it is a clandestine, illegal operation, there are few first-hand reports on how it functions. There are journalistic accounts and periodic reports by law enforcement officials, especially the DEA, and from legislative investigations by the U.S. Senate and House Committees on Narcotic Drugs. The picture is shady at best, but there appear to be relatively well-established rules which govern the functioning of the network. For the most part, the abundant supply of cocaine hydrochloride and the burgeoning demand in the United States and Western Europe have kept relative peace among the big-time operators and led to cooperative arrangements on occasions among them. The primary organizations that traffic in paste and cocaine appear to be controlled by individuals or groups headquartered in Colombia. In Peru, the international traffickers usually buy the paste FOB Peru from intermediates and assume the responsibility for moving it to processing laboratories or factories in Brazil and Colombia. In Bolivia, domestic traffickers have organized their own syndicates, which collaborate with the international network and deliver their paste to the buyer. The international traffickers choose the Bolivian group with which they prefer to work based on its ability to deliver the merchandise. The DEA reports that the criteria for selecting one of these Bolivian groups are quite sophisticated, including:

1. how large and well organized the trafficking groups is;
2. its ability to make delivery at a site of the buyers choice;
3. the location and size of its airstrip(s);
4. the price and quality of the cocaine which it controls; and;
5. most importantly, the level and degree of political/police protection the group has in case something goes wrong.

The major international traffickers keep the chain purposely complex in order to keep out possible competitors in this highly profitable business. They offer some room to grow for large numbers of middlemen, but the middlemen are kept under controls set up by the major international traffickers. There are reports of efficient leaf producers being allowed to expand their operations to purchase leaf from other growers and move into processing of paste. Since these operations are not difficult, there is great temptation for an efficient producer to try to absorb larger chunks of this phase of the chain. The buyers at this stage of the drug chain may include a variety of people from farmers, village merchants, truckers to urban professionals. The middlemen in the subsequent links where the profit margins swell may include well-to-do businessmen, ranchers or public and military officials.

As cocaine trade burgeoned over the last five to seven years, the coca chain moved into high gear. The flow of coca dollars into the producing regions overwhelmed local economies and law enforcement authorities. Occurring as it has in a period of economic recession in the producing countries, in which the debt crisis seriously restricted liquidity and dried up many internal markets, these coca dollars have played a significant role in the subsistence of Bolivian and Peruvian farmers and rural people.

At the other end of the coca chain, at the U.S. market site, the supply of the drug offered opportunities for incredibly great profits. There are reports from newspapers and law enforcement agencies that the major Colombian and Mexican international traffickers made their accommodations with established U.S. crime syndicates and poured their drugs through the already existing marketing systems. According to some experts, this collaboration accounts for both the "coca boom" and the current sophistication in trafficking and distribution patterns.

All of the available evidence from law enforcement and journalistic sources emphasize the pivotal role of the international drug traffickers in this illicit enterprise. It is they who organize the production, control the flow, stimulate demand and supply the market. Cash is the medium of exchange. Payments are in cash, usually hard currency, from producer to processor to transporter to wholesaler to user. Cash is the lifeblood of the drug business--and it cannot be readily traced at any link in the chain--from buying crops to making pay-offs.

One of the significant new dimensions of the drug business is the laundering of the ill-gotten gains. This is the process of converting the cash from the drug business into legitimate investments--and this has become a sophisticated big business, as is described in Study N° 2 "Measures to Reduce Demand", Section 2. The monies involved are in the billions of dollars; but there is little evidence that the monies have had a positive long-term effect on the development of the producing countries. Experts report increased conspicuous consumption by those who directly benefit from the profits, but none of the real benefits of development which result from sustained productive investment. Where the drug traffickers invest their profits is unclear, but many experts believe that most of the laundered monies are invested in stocks and bonds, real estate and other assets of the more developed countries. Systematic tracing of these funds is only in its incipient stages, but it may well be one of the most important areas for international cooperation in controlling drug traffic by taking the profits out of the drug traffickers' pockets. Until the profits are brought under control and demand is curtailed, it is highly doubtful that effective action can be expected to reduce production and encourage alternative economic activities to coca cultivation. While the cash flows freely, the incentives are too appealing.

Domestic and international traffickers have taken on whatever role is most advantageous for insuring the supply of coca and paste--from exploiter to philanthropist, from local leader to extortionist. Even though the percentage of the gross profits received by the grower is minimal, the system of farmgate cash payment makes coca his most profitable crop. Within this set of circumstances, the international trafficker is often viewed by the poor campesino as a sort of "Robin Hood". On the other hand, in the February 25, 1985 issue of Time Magazine, whose lead article was on the Cocaine Wars, a story appears about a major trafficker who "maintains a feudal role over a colony of peasants in what amounts to a coca state within a state". There are press reports about their political activism, including financial support for political parties or even subversive movements in a number of member countries. The use of their extensive resources to blunt government anti-drug campaigns has been evident in the assassination of Colombian Justice Minister Rodrigo Lara Bonilla, the deadly assault on the crop substitution project in Peru and the kidnap-killing of DEA and Mexican Government agents in Mexico. The traffickers usually have the means for influencing public opinion and are often adroit in lining up public support.

#### 5. The Impact of Illicit Drug Traffic

In its February 1, 1985 Report to the Congress of the United States, the State Department's Bureau of Narcotics Matters commented:

"Virtually every source and many transit countries have suffered the problems of economic dislocations, institutional instability and crime related to narcotics trafficking. Several have also been besieged by political problems, including armed insurgencies supported by profits from the drug trade."

The impetus for the illicit traffic in cocaine is the profits. The costs and profits are difficult to establish precisely; however, the dimensions of the profits can be estimated from the following equation: \$1.00 of coca leaves becomes worth \$3.00 when turned into paste and \$300.00 in street value when transformed into cocaine hydrochloride. It takes 150-200 kilograms (330-440 pounds) of coca leaves to produce a kilogram of paste and three kilograms of paste to make one kilogram of pure cocaine--and the street value in the U.S. of a kilogram of cocaine is between \$40,000 - \$60,000. The efforts by member countries to disrupt production and processing--through increased enforcement and controls over the importation of precursor chemicals required for processing paste and cocaine hydrochloride--have led to rises in costs and risks. Despite increased costs and risks, the potential for profits is self-evident.

The magnitude of the drug market world-wide is awesome. In the United States the House of Representative Select Committee on Narcotics estimated that the illicit drug industry did about \$110 billion in

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business during 1984, which sustained the 10 percent annual growth rate of this decade. While only a part of this industry deals in cocaine, it is still one of the primary illicit drugs. As previously pointed out, only a small fraction of the profits remains in the hands of the grower probably no more than \$1 of the \$300. However, the grower can earn so much more per hectare in coca production than in other crops that he is a ready target for any effort by the trafficker to get him to increase his production.

The ready availability of cash is an equally strong inducement for farmers and intermediaries in the drug chain, including the buyers, the paste-makers and transporters. These groups often include professionals and other educated urbanites who have been lured into one or more aspects of the business. There is very little hard information about the number of people enmeshed in this network, but well-informed sources in Bolivia and Peru report that a significant portion of the workforce is involved in some aspects of production, processing or movement of illicit coca.

Drug traffic affects both the public and private sectors of all the countries it touches. In addition to widely recognized impact on increased crime and corruption, some experts point to the problems caused by a state within a state—an economy operating outside the legal economy. Others have expressed concern about the obstacles which drug trafficking has created to overall development.

The drug traffic also distorts the domestic economies of the producing countries. Coca production diverts land and resources that could be used for legitimate production. Farmers shift from food crops to the more profitable coca with the result that governments import more food stuffs to overcome certain shortages in urban centers. Since coca dollars are illegal, they are not usually identified for tax purposes and offer little relief for the governments which need additional revenues to cover their priorities. Then, too, as police and military spend their limited resources fighting the seemingly limitless resources of the traffickers, additional strains on the national budget emerge. One of the consequences of more effective enforcement has been the increased availability of drugs in source and transit countries, compounding the pressure on their budgets and expanding their need for more treatment facilities to fight drug abuse. As enforcement and eradication programs are implemented in producing countries, violence and terrorism tends to increase as has already been seen in Colombia, Mexico and Peru. Above all, there is little or no evidence that the enormous profits of the drug traffickers trickle into the economies of producer or transit countries—except for conspicuous consumption of a handful of the big bosses.

The tremendous profits made by the drug traffickers have been used to destabilize both the political and economic systems in a number of countries. They have been used to buy newspapers, influence political parties and corrupt local and national officials. The Secretary General of the United Nations, Ambassador Javier Perez de Cuellar, in his May 24,

1985 statement to the United Nations Economic and Social Council summarized these effects in the following terms:

"Illicit drugs, whenever they are produced or used contaminate and corrupt, weakening the very fabric of society... Individual cases of drug abuse now run into the millions... The suffering of individuals is not the only cost. Illicit drugs and crime go hand-in-hand. The allure of tremendous profits constitutes a potent attraction to criminals, and drug trafficking frequently entails other criminal acts, including bribery, larceny, and even murder. Moreover, there may be links between illicit international drug networks and armed terrorist groups which have sought to subvert governments.

"It must also be stressed that trafficking in illegal drugs represents a heavy toll on many national economies. The cost must be counted in literally billions of dollars, traceable to the time lost in the workplace, to the substantial burden imposed on judicial and penal systems, and to the treatment and rehabilitation of drug addicts".

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## Section II

### Crop Substitution Programs

Since the explosion of illicit drug traffic in the Post World War II era, the world community has undertaken a variety of efforts to cut back the flow of narcotic drugs and psychotropic substances. One of the most significant has been the programs to dissuade farmers from cultivating narcotic-producing plants and to induce them to substitute alternative crops and other income-generating activities.

#### 1. Project Experience

Among the first major efforts was that in Turkey in the early 1970's. A project was implemented to divert the relatively small percentage of that country's farmers from producing poppies which form the base for opium gum, morphine, codeine and heroin. In 1971, the Turkish Government banned the cultivation of opium poppies in seven provinces and offered cash compensation to the farmers whose income was adversely affected by the ban, together with technical and financial assistance for the introduction of alternative crops. This particular program was suspended three years later because of the pressure from the farmers who wanted to benefit from the illicit traffic. However, the Turkish Government did stamp out illicit cultivation under a subsequent program which combined strict enforcement with agricultural diversification.

Since that experience, crop substitution programs have been tested in several Middle and Far Eastern countries including Afghanistan, Burma, Iran, Laos, Malaysia, Pakistan and Thailand. Whether they have succeeded in reducing the production of drugs in these countries is unclear since it has only been in the last three to five years that evaluations have been undertaken. The United Nations Fund for Drug Abuse Control (UNFDAC) has taken the lead in developing this evaluation process. The need for such assessments is underlined by data on drug traffic which indicates that there has been no noticeable decline in the cultivation of and traffic in illicit drugs despite these efforts. However, it may well be that success in one region or country has been countered by the efforts of drug traffickers to increase production in another.

As the drug problem has become more widespread, governments have undertaken actions internationally and domestically to strengthen their capacity to control the cultivation and movement of illicit drugs. While initial attention was largely focused in opium and cannabis, as early as the mid-1970's programs were initiated in Bolivia to deal with expanding production of coca leaf. These programs were supported largely by economic and technical assistance from two sources: the United Nations through UNFDAC and the United States Government. Complementing these programs targeted directly on the drug problem, loans for integrated rural development and diversifying agricultural production by the World Bank,

the Inter-American Development Bank, AID and other multilateral and bilateral agencies have also been drawn on to help finance crop substitution.

In the coca-producing countries of the Andean area, there have been specific crop substitution projects designed by national governments and supported by UNFDAC and the United States Government. The efforts in Bolivia and Peru have been more complex than that undertaken initially in Turkey because they involve a much larger percentage of the farm population, the market conditions and depressed domestic economies afford little opportunity for providing farmers with comparable income from the alternative crops and the programs do not include compensation to farmers for displaced coca crops. Add to these economic factors the political transition in Bolivia and the presence of insurgencies in Colombia and Peru. It is apparent that the prospects for successful substitution programs are cloudy at best. Despite these obstacles, major programs are now being implemented in Bolivia, Colombia and Peru.

In Bolivia, in 1984, UNFDAC initiated a \$20.5 million program in the Yungas region. Over the next 5 years, cooperative agro-industrial projects in which the campesino will have a share in ownership and management will be developed for coffee, citrus and tea as alternative crops to coca. Under the project, farmers will be provided agricultural extension, credit, marketing and other essential services. Feeder roads and agricultural research facilities will be developed, and the Government of Bolivia has committed itself to implement measures to induce farmers to (1) reduce progressively their coca cultivation as alternative income increases, (2) prevent leakage of illicit coca into national and international markets, (3) take firm action against traffickers, and (4) detain expansion of coca cultivation into new areas.

In addition, the Governments of Bolivia and the United States have initiated a broad-scale program to substitute other crops for coca in the Chapare. Some \$60 million will be used to develop the infrastructure, agro-industrial facilities, credit, technical assistance and other services needed to introduce about 10 crops which offer promise of providing farmers with economically viable alternatives to coca cultivation. The Government of Bolivia has also committed itself to dissuade farmers from growing coca; and, under this project, no farmer may participate in or receive its benefits if they continue to raise or traffic in coca.

In Colombia, UNFDAC is supporting a number of coca-cocaine related projects. It is anticipated that one of those will be a \$1.2 million integrated rural development project in the Department of Cauca, an area of traditional coca cultivation by small farmers, in which crop substitution is a major component.



In Peru, a \$26.5 million crop substitution project for the Upper Huallaga Valley is underway. The Government of Peru is contributing \$8.5 million and the U.S. Agency for International Development, \$15 million in loans and \$3 million in grants. The program which was initiated in 1981 is designed to provide agricultural research, farm credit, expanded agricultural extension services, and assistance in land registration and titling. In addition, there is a parallel coca eradication program being administered through the Peruvian Ministry of Agriculture. No evaluation of results has been made to date. This program was the target of a violent raid in November 1984 in which 19 project workers were murdered; apparently masterminded by drug traffickers hiding behind the mask of Sendero Luminoso, the attack was meant to counter the threat which they perceived the project poses to the continued supply of illicit coca.

To complement this effort, UNFDAC has slated \$1.7 million for an agro-industrial development project in Peru. Some \$957,000 is to be invested in a cacao processing plant in the Tingo Maria area as one of the income-generating alternatives to coca. The balance will be used for specific rural development activities which are intended to raise farmer living standards as part of the effort to discourage coca production.

## 2. Appraisal of Experience to Date

As has been pointed out in the preceding paragraph, systematic evaluation of crop substitution projects has only begun in the past few years, primarily under the aegis of UNFDAC. The initial appraisals provide specific insights related to the specific projects under review, but only with the preparation by UNFDAC of a Staff Paper in 1985 has an effort been made to apply more broadly the experience gained to date to planning for future programs. Drawing on its extensive experience in Afghanistan, Burma, Egypt, Pakistan and Turkey, the specialists of UNFDAC propose the bases for reformulating UNFDAC's technical and financial assistance. This Staff Paper is, in effect, an expert assessment of crop substitution efforts to date and the identification of factors which should be built into planning and implementing future crop substitution programs.

The perceptions of the UNFDAC Staff Paper coincide with those spelled out in 1976 by Mr. Albert L. Brown in a feasibility study for the Government of Bolivia and the Agency for International Development of the U.S. Government, entitled "The Feasibility and Design of an Expanded Coca Substitution Project". Drawing on available experience at that time and carefully assessing the economic, social and political environment, Mr. Brown provides a blueprint for programming a crop substitution program for Bolivia whose relevance appears to be reinforced by the proposals in the UNFDAC Staff Paper.

Drawing on both these sources, there appear to be a number of guidelines which can be identified for planning and carrying out crop

substitution programs. The following four appear to have special relevance to the mandate contained in Resolution AG/Res. 699.

1. The interrelationship between effective law enforcement and crop substitution programs. Both papers place great emphasis on the need to coordinate strict compliance under national laws and international commitments with developmental efforts to generate alternative income from other crops and off-farm employment for those farmers affected by the prohibitions against growing crops from which illegal drugs are derived.

The UNFDAC Staff Paper states:

"On the basis of UNFDAC's experience, the apparent dichotomy between development activities and law enforcement may be artificial and misleading. In fact, regardless of how law enforcement is defined and implemented, it would be meaningless to spend the funds provided by the international community on narcotics control programmes if there were not reasonable expectations that the outcome of such programmes would contribute to the reduction of the supply, traffic and demand of illicit drugs. In this connection, assistance through development activities cannot be seen as an end itself, but only as a tool for combatting drug supply, the main goal being the eradication of the crops from which illicit drugs are derived. Therefore, the results achieved have to be maintained and preserved, either through appropriate incentives, such as alternative income opportunities and provision of basic social services, or through the strict enforcement of control measure and, whenever necessary through a balanced application of the two approaches. This implies that if and where there were attempts to revert to the pre-existing illicit production, such attempts should be dissuaded by means of law enforcement. In this context, law enforcement should also ensure that those farmers abandoning the illicit production for new licit activities would be adequately protected against possible criminal aggressions.

"With reference to the current UNFDAC programme of assistance to Bolivia, Colombia and Peru, whatever operational definition of law enforcement is followed, the measures for the control of illicit production and traffic of drugs should be addressed at ensuring the compliance with and adherence to existing national and international laws. As such they have to count on law enforcement, seen as police and judicial action, although a more extended concept could also include customs operations.

"Traditionally, the aims of law enforcement are considered to be those of: (a) preventing behaviors which is considered unlawful

(prescription) and (b) counteracting to unlawful behaviors trying to reduce its negative effects (coercion). Accordingly, prevention can be achieved by showing the strength and the power of the law through the presence of its agents which are usually the police forces (i.e., making visible the threat which is already included in the provisions of the law, usually the penal law); while the coercive nature of the law is realized through the imposition of compulsory measures (usually but not indispensably of penal character, such as 'fines', 'imprisonment', 'detention', 'confiscation of profits', 'compulsory conduct'; e.g. self eradication, etc.).

On this points, Mr. Brown reiterated that effective control of coca production will be required before farmers will substitute coca plantations with other crops. He pointed out knowledge about the location of such crops is incomplete. Mr. Brown pointed out:

"coca control and income maintenance is a multi-faceted program with interlocking activities, all of which must be planned together from the start and managed to achieve maximum mutual support. The program must include an activity to design and enforce effective control of coca production. It must include (1) positive identification of all coca plantations; (2) registration of all coca producers; (3) establishment of production quotas by farm(er); (4) surveillance and control of all new plantations; (5) surveillance and control of all coca marketing at all levels."

2. Community participation in the program. Both papers place great emphasis on winning the support of both the farmers affected and their neighboring communities in any effort at crop substitution. The UNFDAC Staff Paper presents an array of proposals for informing and educating the target population and the general public about the drug problem and the need for specific activities. It points out:

"It is known that, if the goals to be reached by the regulations and prohibitions through law enforcement are not shared by the target populations, coercion appears to be the only suitable measure. On the contrary, when the populations are in favour with and share the same goals, persuasion and the provision of assistance seems the most suitable approach in order to be able to achieve the stated objectives. In practice, a clear differentiation between the two above mentioned situations cannot be done, as the 'population' is not an homogeneous group. There might be some of its sectors which could be in favour of certain goals, while others could be against. Therefore, the determination of the extent or degree of acceptance or rejection of the desired goals on the part of the various sectors of the population is extremely important in

order to identify the most viable and effective measures to be adopted. In this connection, the need for an assessment of the attitudes and perceptions of the population in the areas where UNFDAC programmes are carried out should be properly stressed, as that of monitoring possible changes over time in order to channel adequate support and strengthen positive attitudes and values.

"This is even more important when considering the serious difficulties faced by the authorities in imposing control measures in areas where the local population is completely dominated by the drug traffickers and where the abandonment of coca production would deprive the farmers of the only means they have to raise their standards of living above subsistence levels. The existence of such difficulties, however, cannot justify the lack or the postponement of adequate law enforcement: inaction would contribute to the further worsening of the situation by increasing the incidence of coca production, reinforcing the power of drug traffickers and thus weakening considerably the institutional base of the states."

3. Realistic assessment of the environment in which crop substitution programs are to operate. Mr. Brown dedicates a substantial portion of his study to the assessment of conditions in Bolivia and of the significance of coca leaf in economic, social and political life of that country. In designing a program, he first examined the real relationship between the coca farmer and coca leaf. He found:
  - "a. Although some other crops provide returns equivalent to coca at legal prices, few (if any) crops will be able to compete with an illegal market price. The value of coca leaf is such a small part of the market price of illegal cocaine that the price to growers could be multiplied several times without reducing ultimate cocaine dealer profits materially.
  - "b. Farmers will tend first to replace less profitable crops before they replace coca. Land availability is not a limiting factor, and most crops currently grown by farmers in Yungas and Chapare are less profitable than coca.
  - "c. Coca provides a more rational use of labor than most crops proposed for substitution. Coca is a better use of some marginal land in the Yungas than any proposed substitute crop.
  - "d. There is less risk in growing and marketing coca than competing crops.
  - "e. Productivity of coca could probably be increased as much or more than productivity of other competing crops through fertilization and other cultural practices. Control must apply to physical product rather than to acreage or value."

Having established this relationship, Mr. Brown continues that "control of coca production will be extremely difficult. This difficulty arises from physiological, cultural, and economic conditions as much from enforcement considerations."

Under physiological conditions, he included (1) the adaptability of the coca plant to a wide variety of ecologic conditions in the Andean countries and the absence of hard information about acreage under cultivation, as described earlier in Section I of this Study, and (2) the ease with which coca can be converted into coca paste on the farm and the difficulty of detecting the extraction process, pointing out:

"Conversion. The first step in extraction of cocaine from coca leaves can be accomplished by a simple, primitive process which reduces the product volume from 150 - 200 lbs. of leaf to 1 lb. of coca paste. It is difficult to detect the extraction process, while the reduced volume facilitates clandestine movement. Leaves may be diverted to the cocaine extraction process at any point after picking. Producers may process their own product, or sell to processors. Legitimate buyers may sell to wholesalers who also process. Legitimate wholesalers may sell to retailers who may also process or retail to those who do, or to pseudo-retailers who process instead of reselling. Control must apply to distribution as well as to production."

Under cultural conditions Mr. Brown points to the traditional role of coca in the lives of the Bolivian farmer as scullico and tea—uses with legal sanction and even religious implications. This tradition assures a continuing legal market for coca leaves, and complicates the detection of illegal diversion or of production for illicit ends.

He then points to the bureaucratic obstacles caused by public officials who may not see coca production as morally offensive and may well resent the diversion of scarce government resources to support agricultural diversification in coca producing areas which they may consider of lesser importance in the hierarchy of development priorities of their country. Many in producer countries see cocaine as a problem of consumer countries, even though they may admit to its potential for spawning domestic crime, corruption and drug abuse.

Under economic conditions, he raises equally critical concerns

- "1) Income Maintenance. Coca currently provides a high proportion of the income of producers in both regions, and this proportion may conceivably increase before coca production and diversion is controlled. Neither coca producers, intermediaries in the marketing process, nor government leaders are apt to endorse enforcement until means for income maintenance are at hand. Such means should not be limited to seeking a crop which

substitutes for coca, but might also include exploring the possibilities of direct subsidies, preferential market quotas for remaining crops, off farm employment opportunities, or extensive land use (more acreage under cultivation per farm) to maintain farm family income. Certainly the objective of the program should be to maintain farm family income rather than substitution of coca per se.

"2) Factor Efficiencies. Coca production offers a magnificent array of desirable characteristics for the diversified small-holding. It can be grown on land of little value for the production of other crops. As a vegetative crop, it is inherently less risky to produce than fruit crops. The three or four times a year harvest spreads both labor requirements and market risks. The labor intensive initial planting outlay is an investment which begins to yield promising dividends at two to three years and continues to provide them for the next 15 to 25 years. Its cultural requirements and market procedures are well known. Market demand for legal use has apparently been good, despite the oft expressed belief (or hope) that coca chewing is on the wane."

4. Long-term commitment to an integrated development effort. Both papers stress the difficulty of crop substitution and the need for long-term commitment of substantial resources to multi-purpose programs which give equal attention to building up markets, increasing productivity per hectare, insuring reasonably comparable income for farmers and improving living conditions. The UNFDAC Staff Paper encompasses these concepts within the definition of integrated development which is identified as:

"an effective approach to combatting illicit cultivation of crops from which dangerous drugs are derived, especially in areas where coca cultivation is part of a traditional culture. In those areas licit crops will progressively replace illicit cultivations and farmers will be given assistance in marketing them nationally and internationally. Other possible alternative income opportunities are offered, like handicrafts and small scale industrial activities, together with education, health services and any other basic community services which are necessary to ensure the needed changes in the lifestyles of the population of the producing areas. The strong commitment of the concerned Governments to maintain the results achieved throughout the development programmes is indispensable.

"Although such programmes are a long-term task, there are no other solutions to eradicating coca cultivation. Law enforcement alone is insufficient and can be at times unjust and counter-productive. The impact of coca eradication on the poor

local population would be severe and could condemn to death by starvation the thousands of farmers and their dependents who rely on coca production for income. Moreover, stringent law enforcement measures without the provision of alternative sources of income, could encourage those who are dependent upon coca growing for their livelihood to join forces with criminal elements or, under extreme conditions, to become insurgents against their own governments. Development assistance, therefore, appears to be the most suitable, effective and human approach, especially when such assistance is accompanied by corresponding programmes addressed at increasing public acceptance and community support."

Mr. Brown recommended a ten year, multi-million dollar program for Bolivia which combined integrated development and control over coca production. His emphasis in the first two year was on data collection, project design, getting to know the target population and setting up controls for all existing and new coca plantations. For the remaining eight years, he projected a sustained effort to implement a multi-purpose development program whose objective would be to generate comparable income for those farmers affected by the crop substitution program.

These two papers provide essential insights for any serious effort to promote crop substitution. Their breadth and depth emphasize the complexity of the problem, the interrelationship of strict enforcement of international and national regulations to restrict coca production, the necessity for tailor-making programs to meet the socio-economic realities of the areas involved and the critical importance of sustained, long-term commitment to a series of diverse but coordinated action. In the absence of comprehensive evaluations, these two papers provide the most persuasive guidelines for programming crop substitution programs which offer a reasonable expectations that farmers can be induced to reduce or eliminate the illicit cultivation of coca leaf.

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Section III

Framework for a Crop Substitution Strategy

Drawing on the experience of the past twenty years in national programs supported by UNFDAC and the United States, it is evident that crop substitution programs are complex, long-range undertakings with only limited prospects for success. The evidence in 1985 suggests that, despite evermore comprehensive efforts by drug-producing countries to control supply, there has been no appreciable reduction in the availability of illicit drugs in recent years. Indeed, attracted by the extraordinarily high-profits, emanating from the booming demand in world markets, especially in the United States and Western Europe, the drug traffickers and their confederates have diversified their source of supply and become more adept in moving their product to the market place.

The clear and imminent danger posed by drug traffic led the Secretary General of the United Nation, Ambassador Javier Perez de Cuellar, in his afore-mentioned May 24, 1985 statement to the United Nations Economic and Social Council to call for a new world conference in 1987 to deal with this critical problem. He pointed to the need for a comprehensive and coordinated attack on all aspects of the drug problem. He proposed:

"Specifically, the conference should be multi-disciplinary in nature and focus on the following key areas: (1) the promotion of education and community participation in prevention and reduction of the demand from illicit drugs; (2) crop substitution and other methods of reduction of supply; (3) improved methods to limit the use of narcotics to medical and scientific purposes; (4) forfeiture of illegally acquired proceeds and the extradition of persons arrested for drug-related crimes; (5) strengthening of resources of law enforcement authorities; (6) treatment and rehabilitation of drug addicts.

"The Conference should serve to raise the level of world awareness of the danger we face, mobilize the full potential of the United Nations system, reinforce other intergovernmental, non-governmental and regional initiatives, and encourage governments to concert their efforts and to devote greater resources to combat drug abuse and trafficking".

In specifying the purposes and agenda for the proposed 1987 Conference, Secretary General Perez de Cuellar has spelled out the interrelationship of efforts to improve enforcement, to promote crop substitution and to educate the public about the evils of drug. These precepts equally apply to actions by the Organization of American States. Crop substitution in isolation from effective action on the other planes is not likely to render the results desired. The experience to date leads to no other conclusion.

As pointed out in the preceding Section of this study, crop substitution schemes by themselves have not resulted in a demonstrable overall reduction of coca leaf or any other plant from which narcotics are derived. The drug trafficker offers substantially more money for the illicit crop than the growers can obtain for alternative crops in the market place. The drug trafficker offers cash at the farm site for the illicit produce while for the legal product the farmer depends on inefficient markets and often non-existent public and private services for credit, seed, fertilizer, insecticide and other inputs. The farmer can use his marginal land for coca, and his best land for other cash and subsistence crops. Above all, the power and mobility of the drug trafficker often offers a greater threat to the well-being of the farmer than the sometimes remote and frequently desinterested police authorities. Only by facing the challenge of these realities can there be any reasonable expectation that cultivation of drug-producing plants can be reduced.

In this context, the question must be directly asked: what measures should be taken to curtail the cultivation of narcotic-producing drugs in excess of those required for medical and scientific purposes as defined under the Single Convention on Narcotic Drugs and established annually by the International Narcotics Control Board? Is there a conceptual framework within which the Inter-American community can design and implement programs to provide economic and socially viable alternatives for the farmers whose livelihood depends on coca?

Based on experience to date, there are probably only qualified answers to these questions. As is evident from the analyses by Mr. Brown and UNFDAC discussed in the preceding Section of this study, crop substitution in narrow terms offers little promise of effectively reducing the supply of narcotic drugs. In the specific case of coca-cocaine, the realities of the market place assure so great a return to the grower compared to other crops that, without effective enforcement of laws against illegal cultivation and traffic, it is most likely that a crop substitution campaign in one region or country would be offset by countervailing efforts financed by the drug traffickers in other regions or countries. Since the coca plant is so adaptable to the varied ecological conditions of the Amazon Basin and the surrounding Andean highlands and the drug traffickers have demonstrated their organizational capability and have such great financial resources at their disposal, these factors loom as significant elements in the search for a viable framework for a program to reduce the supply of illicit coca-cocaine.

Moreover, the introduction of crops in substitution of coca requires much more than merely the introduction of new agricultural technology. It must be oriented toward assuring sufficient comparability in overall income for the farmer to induce changes in his production habits. This orientation requires the development of new markets and new marketing systems to which the farmer can be assured easy and sustained access. It

requires technical support for the grower to understand the characteristics and problems of the new crop as well as the infrastructure which assures his ability to raise and market the crop. And, above all, it needs a price structure which insures the grower an adequate return for the product.

In light of these considerations, any crop substitution effort that offers a reasonable chance for reducing significantly the cultivation of coca destined for the illicit drug trade should have the following characteristics:

1. It should be planned and developed as a long-term operation, for at least ten years.
2. Large amounts of money will be required to finance the diversified range of infrastructure, agricultural, agro-industrial and other economic and social activities, in the public and private sectors, needed to create economic alternatives to coca.
3. The focus of the program has to be income-generation for the farmers and local middlemen engaged in the coca business. There is little prospect of finding crops which can be price competitive with the illicit coca sought by the drug traffickers, but a range of new activities whose profitability can be established for a number of years might offer the desired alternative.
4. The program must be supported by all of the countries of the coca-producing zone, based on firm agreements by them to enforce measures to restrict coca cultivation and to take necessary action to eradicate any illicit plantings.
5. In order to encourage farmers to eliminate coca production, member and observer countries should consider special measures to permit preferential access to their markets of crops and products produced in Latin America and the Caribbean as part of crop substitution programs.
6. An effort must be undertaken to inform public opinion in all producing, transit and consumer countries of the terrible human cost of drug use and to enlist widespread support for the suppression of both supply of and demand for illicit drugs.

In accordance with these characteristics, it may be possible to design programs which integrate development, enforcement and information phases into long-term efforts which major international lending agencies could support. This triad approach is complicated, but it probably offers more positive prospects for cutting back the cultivation of coca than crop-substitution by itself.

For each of the three elements of the triad--development, enforcement and information--, there is a wide-range of activities which could be implemented, such as:

1. **Development.** The objective should be to set in place a multi-faceted effort to raise and diversify the income-producing activities of the rural people who are currently involved in coca production and traffic. This requires the development of infrastructure--roads, electric power, water supply--, marketing systems, agro-industry and social services needed to support sustained development as well as the introduction of new commercial crops and off-farm employment. What is involved is a complex range of activities, including the introduction and/or up-grading of a wide-variety of public services and private institutions so that they can in effect engender a technological transformation in the rural areas and provide the environment in which other income sources provide sound and efficacious alternatives to coca cultivation.

The planning for and design of such blueprints has been the primary thrust of the OAS Program of Regional Development for the past decade. Although not targeted on drug-related crop substitution, this OAS program has systematically studied major geographic areas of Latin America and the Caribbean to identify their economic potential, the investments in infrastructure needed to develop that potential and the other economic and social actions for propelling development. Based on this blueprint, long-term regional development programs have been implemented.

This long-term approach coincides with UNFDAC's proposals for multi-disciplinary integrated development aimed at generating alternative sources of income for rural people and the progressive elimination of their dependence on crops from which drugs are derived. This is the conceptual framework for the UNFDAC masterplan programming system which is reviewed in Section I of Study N° 4. This is also the approach proposed by the Inter-American Institute for Cooperation in Agriculture (IICA), in its April 1985 proposal to the OAS Working Group on Drug Traffic, on the Integrated Rural Development of the Eastern Andean Piedmont Areas of the Amazon Basin Countries. The program underway by the Bolivian Government, with the financial and technical support of the United States Government, for the Integral Development of the Chapare also fits this pattern.

2. **Enforcement.** As both the studies by Mr. Brown and UNFDAC, which were reviewed in Section II of this Study, emphasized so forcefully, crop substitution programs must be accompanied by equally effective efforts by governments to enforce their laws and regulations which license the cultivation of coca for licit purposes and curtail production of that grown for illegal use. The stick must be synchronized with the carrot, and the state must demonstrate to the coca producers that it is not only enforcing the law but is

administering justice equitably and punishing offenders, especially the drug traffickers. In this process, as an integral part of convincing farmers to stop growing coca and substitute other crops for it, the state must demonstrate its power to disrupt the organization of the drug-traffickers and convince the farmers that there are indeed greater risks to violating the drug laws than resisting the enticements of the drug dealers.

3. Information. The third element of the program must be education of the body politic, especially the rural people engaged in the cultivation and initial processing of the coca, of the dangers inherent in drug abuse. The coca farmer today is essentially unaware of the perniciousness of cocaine. His traditional use of scullico may or may not involve certain medical or health risks; experts are divided on the subject. But, the farmer and the rural people see only the benefits to them of their primary cash crop and a leaf which serves many of their needs. They cannot be expected to look beyond the benefits to them of their coca crop unless they and other members of their community are made to understand the consequences of illicit traffic through the transformation of coca into basuco or pitillo and cocaine hydrochloride and are offered real opportunities for obtaining comparable income from other on and off-farm sources. A public information campaign, in the absence of effective development and enforcement actions, would probably have only a limited impact on the producers and middlemen in the rural areas; and, correspondingly, it is less likely that development and enforcement efforts will have long-term positive results if the producers and their immediate market contacts are not convinced of the perils posed by paste and cocaine to the community, especially among the young. The education campaign could well be planned and carried out as part of a hemisphere-wide effort aimed at discouraging drug use in all segments of the social system—urban and rural, rich and poor, laborer and professional, office clerk and factory worker. The romantic aura currently attributed to cocaine must be displaced by a factual understanding of what drugs do to the minds and bodies of users. The framework and guidelines for specific programs to inform the coca growers are spelled out in the Study prepared for the Inter-American Specialized Conference by the Permanent Executive Committee of the Inter-American Council for Education, Science and Culture (CIECC) on the educational aspects of prevention and control of unlawful use of drugs in compliance with the instructions of the General Assembly in operative point 8 of Resolution AG/Res. 699.

This triad of actions can provide a framework for a long-term program to effect a progressive reduction in the production and supply of coca. The triad applies the lessons learned in programs carried out in various countries, but it is no guarantee of success. It can create conditions which favor crop substitution and minimize the prospects for renewed coca cultivation once the triad actions are implemented. It is a complex

undertaking, requiring coordinated and sustained efforts within countries and close cooperation among all affected countries. It lends itself to inter-American cooperation to support country and regional efforts on all aspects of the triad. The cost of implementing the triad would be high; but, the risks to producer, transit and consumer countries and their people from continued exposure to the dangers of drug traffic and drug use will probably be a thousand times greater.

STUDY N° 2

Measures to Reduce Demand

In operative paragraph 4 of Resolution AG/Res. 699 (XIV-0/84), the General Assembly instructed the Permanent Executive Committee of the Inter-American Economic and Social Council (CEPODES) to prepare a study on the measures to reduce demand for coca, as part of the documentation to be presented to the Specialized Conference on Drug Traffic.

The demand factor is acknowledged by many experts as the variable which gave rise to the "drug boom" of the last decade. The demand, especially in the United States, created the pull that pushed up production and aggravated the drug problem confronting the inter-American community. The use of cocaine by young professionals was glamorized in the United States in the 1970's. Cocaine got an undeserved reputation as a "safe" drug. The deleterious effects were ignored in the search for new sensations. The coca plant is one of the three specifically controlled under the Single Convention on Narcotic Drugs of 1961 (in addition to opium and cannabis) because of the overwhelming medical evidence of psychological dependence and physiological impairment which it engenders.

In this Study, attention will be focused on the market for illegal narcotic drugs derived from coca in accordance with the mandate contained in Resolution AG/Res. 699. It will cover coca paste, cocaine free base (cocaine alkaloid or benzoylecgonine) and cocaine hydrochloride (HCL), because of the equally devastating consequences of their use. It will not deal with questions related to the demand for coca leaf used in scullico which is not deemed relevant in light of the language used in Resolution AG/RES. 699. Many of its conclusions will be applicable to ways and means for the reducing demand for illegal drugs other than coca-cocaine.

To facilitate consideration of measures to reduce demand, this Study will:

1. Examine the demand for illicit coca-cocaine in the world market;
2. Review the actions being taken to reduce the demand, including control over distribution and the profits made on coca-cocaine by the drug traffickers; and
3. Analyze possible inter-American cooperative efforts to curtail the demand for illegal narcotic drugs.

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Introduction

The Effects of Coca-Cocaine on the User

As a prelude to this Study, it is important to understand the effects of coca paste and cocaine on the user. There is now substantial evidence that use of coca-cocaine is growing sharply in Latin America, as well as in the United States. This phenomenon led the Presidents of Bolivia, Colombia, Ecuador, Panamá and Venezuela, the Representative of the President of Peru and the then Coordinator of the Governing Junta of National Reconstruction of Nicaragua, to issue on August 11, 1984 the Declaration of Quito as a call for inter-American and international cooperation to combat drugs and drug traffic. The first four paragraphs focus directly on the noxious impact of these drugs on people:

- "1. Drug dependence is harmful to public health, one of the essential assets of the human being and an inalienable human right.
- "2. Any deficiency in public health is a circumstance that can affect and condition the economic and social development of peoples.
- "3. Bearing in mind the repeated use of drugs affects the faculties and freedom of action of the drug addict producing serious physical and mental effects which damage the personality of the user.
- "4. The illicit use of drugs has caused serious harm, with frequently irreversible effects, to youth, the most noble component of the human resources constituting the peoples of the world..."

Medical evidence confirms the litany of concerns expressed in the Declaration of Quito. The WHO convened an Advisory Group Meeting on Adverse Health Consequences of Cocaine Abuse and Coca Paste Smoking in Bogotá, Colombia, September 10-14, 1984. Its Report provides specific evidence of the perniciousness of this family of narcotics. It cites laboratory experiments which demonstrate that cocaine use is more habit-forming and compulsive than other illicit drugs. Nonetheless, there is no established test for quantifying whether a kilogram of cocaine hydrochloride has a more deleterious effect on people and society than an equal amount of cannabis (marijuana), heroin or even a quart of liquor. Whether one is more dangerous than another is an irrelevant question--all are bad. However, cocaine has a characteristic which makes it doubly threatening: not only is it psychologically addictive and mind-threatening but it is frequently used in combination with other substances. Multiple drug use is the pattern of most cocaine users; they

consume it in conjunction with alcohol, barbiturates or cannabis—and sometimes with all three.

Cocaine hydrochloride is generally ingested orally or intra-nasally. Taken in this form, cocaine has had a reputation among users as being "safe", i.e., if taken in small amounts, it appears to the user as not being physically addictive. Medical evidence disputes this perception, and there is considerable documentation that indicates psychological dependence develops even with small or moderate dosages and that large amounts alone or small amounts mixed with other drugs or alcohol may lead to hospitalization or be fatal. When cocaine is taken intravenously or smoked as a pure salt or free base ("freebasing"), this "safe" reputation disappears and its effects parallel those of other "hard" drugs such as heroin. In these latter cases and with sustained usage in any form, the user may become paranoid, anti-social, psychotic and dangerous to himself and others.

While cocaine sniffing is the method reportedly used most widely and glamorized by the media in the major world markets, coca paste smoking is the method most commonly used in South America--and, addiction to it is growing at an alarming rate. Coca paste has many colloquial names throughout the area, including "pasta", "paste basuco", "basuco", "base-roló-zuco", "banano" and "pitillo". The effects are every bit as deleterious as cocaine itself--probably more so. In spite of impurities and aggregates, coca paste may contain 60 to 80 per cent cocaine sulfate. This is probably the reason why in the research and investigations of the one of the foremost experts on coca-cocaine use, the Peruvian Doctor and Psychologist, F. Raul Jerf, it has been found that this drug almost invariably produces an intense psychological dependence, even greater than that engendered by sniffing cocaine hydrochloride.

Dr. Jerf edited one of basic texts on this drug, Cocaine 1980. This is a compilation of the proceeding of the 1980 Inter-American Seminar on Medical and Sociological Aspects of Coca and Cocaine, published by the Pan American Health Organization/World Health Organization. In this study, the following salient observations are made about the dangers of coca paste and cocaine:

- Coca paste is a crudely refined extract of coca leaves, in its form prior to purification as cocaine hydrochloride and is reported to contain from 40-85% cocaine sulphate along with other coca alkaloids and varying quantities of organic solvents including kerosene and benzoic acid, sulphuric acid, methanol and alkaline compounds.
- The effects of paste smoking may vary among different individuals or even with the same individual, but generally there are 4 phases of paste intoxication: "Euphoria; characterized by intense pleasure which is accompanied by affective lability, hypervigilance, hyperactivity and hypersexuality. (The latter was not seen in all patients).

"The second phase which sometimes follows after a few hours of smoking, is a dysphoric state manifested by considerable anxiety and smoking compulsion... From this state to the last there is always sexual indifference.

"The third phase is the cocaine hallucinosis, which can also develop after smoking several grams of coca paste and is marked by visual, tactile, auditory and olfactory hallucinations.

"The fourth phase is the cocaine psychosis. It may appear after days or weeks of frequent or continued paste smoking. It is characterized by marked agitation with hypervigilance and defined paranoid delusions of persecution, damage, death, or spouse unfaithfulness."

-- Coca paste is the substance preferred to all others by those whom Dr. Jeri was treating. "When they had no paste, they might consider another drug (rarely cocaine hydrochloride, more frequently amphetamines, cannabis or alcohol)."

"When they (the patients) felt the dysphoric effects were too strong, they tried to diminish the unpleasant reactions with alcohol, drinking and smoking for several hours. Others used alcohol to terminate the session, so that they might go home and sleep (in order not to remain excited, hallucinated, paranoid or sleepless). Frequently, however, they were sent to hospital because alcohol was not an effective antidote."

These four phases of intoxication may be replicated in cocaine hydrochloride users as well. Generally only the first two phases, euphoria and dysphoria, are encountered by the oral/nasal user, but prolonged use and abuse may lead the user into the third and fourth phases associated with the psychologically addicted smoker or intravenous user. As was reported in cocaine 1980: "We have also observed, according to a recent hypothesis, that coca paste smoking has psychotic potential more marked than inhalation of cocaine hydrochloride and quite comparable to the effects produced by intravenous injection."

Aside from the types of intoxication and their effect on the user, it is important to keep in mind the physical side effects. Although the studies have not been completed and more need to be conducted, it is evident that paste and cocaine use have negative effects on the body. The impurities in the paste, including kerosene and sulphuric acid, are detrimental to the users lungs. Sniffing cocaine is debilitating to the user's nasal passages. The effects of both can lead to anorexia, poor nutrition, bodily damage and ultimately death.

The physical and psychological effects on the user may be significant and so may the social consequences of dependence. This was highlighted in Cocaine 1980 as follows; "This social consequences of paste smoking on the group studied were very serious indeed. These individuals became so

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dependent on the drug that they had practically no other interest in life. They became completely deficient at work, had serious marital problems, and the students failed courses or dropped out of school. When they held a job, they were frequently absent from work because they felt ill or were searching for the drug. They needed money to pay for coca paste, which is not very expensive, but becomes prohibitive when a man consumes 40 or 60 grams a day, it is hard to believe to what extremes of social degradation these men may fall, especially those who were brilliant students, efficient professionals or successful businessmen."

The implications of coca paste use or cocaine dependence were the focal point of a special study in Cocaine 1980, which points out that:

"The physiological barriers to smoking have been broken down by tobacco and marihuana use. Since the method is efficient and causes intense sensations it represented a new aspect of cocaine abuse. The popularity of smoking is likely to increase and because of the roller coaster aspect of the experienced sensations it is likely that the unfortunate South American experience with cocaine smoking will replicate in North American countries as the knowledge spreads.

"Fear of addiction is obviously not a significant deterrent to substance use. Cocaine has a reputation as a relatively 'safe' drug taken intranasally, although the intravenous use of the drug is not accepted with similar confidence. It appears that the dangers of cocaine paste smoking are allied to the intravenous rate of administration. The dangers of this practice should be brought to the attention of users with caution since the trade off between the intense high and the dysphoria is obviously acceptable to some habitues."

## Section I

### The Demand for Illegal Coca Derivatives

The demand for cocaine and coca products appears to be increasing world wide. As is the case with coca leaf production, most of available data is based on estimates. It is difficult to obtain accurate figures on the size and composition of markets, because the market place in which coca and cocaine are traded is essentially clandestine and illegal. Estimates and trends are generally based on increases or decreases in numbers and sizes of drug seizures, deaths and hospitalizations due to drug abuse, the number of people who sought treatment at government and private rehabilitation centers or budgetary percentages allocated for drug related problems. As was pointed out in the 1985 Report of the U.N. Secretary General to United Nation Economic and Social Council Commission on Narcotic Drugs (Document E/CN.7/1985/2), "analyses of the proportion of drug abusers to the number of persons in the age groups at risk had only been carried out to a very limited extent, so that comparisons over time and by age group, drug of abuse and region were not available in most cases." In many ways, such statistics provide only the barest framework for putting together a responsible profile of the problem.

In the afore-mentioned 1985 Report to the U.N./ECOSOC Commission on Narcotic Drugs, the Secretary General reported that, "based on the annual reports of Governments on the working of the international drug control treaties...during 1983 and 1984 drug abuse continued to spread. Increasingly complex patterns of multiple drug abuse emerged... More sectors of a growing number of societies were affected; most reports drew attention to the special vulnerability of young persons."

As part of his 1985 Report [UN Document E/CN.7/1985/3 (Part One)], the U.N. Secretary General also indicated the fragility of data about demand for and consumption of drugs: "It is not possible to determine the extent to which increasing quantities of many drugs seized from the traffic were the result of improved drug enforcement, compared with the extent to which these increased quantities represented increases in illicit supply. It is probable that both factors contributed to the situation... Considerable increases in total quantities of most drugs seized were recorded in 1983. Indications from many sources are that this trend continued in 1984." With specific reference to cocaine, the Report stipulated that 58 Governments reported illicit cocaine in 1983; of these 58, 29 reported a 20% or more increase in amounts by weight seized in 1982 and 22, a more than 100% increase, with only 7 reporting a decrease from 1982.

The Report (in U.N. Document E/CN.7/1985/2) further specified:

"The most cursory comparison between total quantities of a number of drugs seized from the illicit traffic and the number of recorded abusers

of those drugs indicates either that there is considerable widespread abuse which is largely unrecognized and certainly unquantified, or that a much greater proportion of drugs is seized from the traffic than is generally believed to be the case. Unfortunately the probability is that the former is the case. Even the most optimistic estimates of the proportion of any drug seized from the illicit traffic still leave a residual quantity unseized which could support much more abuse and addiction than is now identified...."

Based on available information, currently the three major geographic markets for cocaine in order of size are North America, Western Europe, and Latin America and the Caribbean. In these various markets, while cannabis still exceeds cocaine as the most widely consumed illicit drug, cocaine has achieved a special status as the "Champagne of Drugs". It attracts the more affluent who are prepared to pay top price in the street. It probably yields the highest profits for the drug dealers, and the ready supply makes it an easy item to obtain and sell.

1. The U.S. Market. In the primary cocaine market, the United States, the Drug Enforcement Administration of U.S. Department of Justice stated: in its May 1985 Special Report on "Worldwide Cocaine Trafficking Trends": "The use and availability of cocaine hydrochloride (HCL) in the United States remained widespread in 1984, and there were significant increases in cocaine-related hospital emergencies and deaths over 1983 levels as in the past. Increases were attributed primarily to increasingly dangerous forms of use, such as "freebasing" [i.e., smoking the drug as a pure salt] injection and combining cocaine with other drugs. Some US cities reported problems related to coca paste and cocaine base smoking in regular tobacco and marijuana cigarettes...". Chart I summarizes cocaine use in the United States since the early 1970's.

Some studies of US consumption patterns allege that there has been a leveling off in the use of drugs, and youthful involvement has begun to decline; but, in light of record cocaine seizures, it is debatable whether total cocaine consumption in that country has not yet peaked. Indeed, there is other evidence to suggest that, with the 1982-1984 drop in retail

CHART I

Trends in Cocaine Use

NATIONAL SURVEY ON DRUG ABUSE:

Trends in Past Year and Past Month Use of Cocaine by Age Category  
1972-1982

	<u>Estimated Percent of the Household Population</u>					
	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1977</u>	<u>1979</u>	<u>1982</u>
Age 12-17						
Used in Past Year	1.5%	2.7%	2.3%	2.6%	4.2%	4.1%
Used in Past Month	.6	1.0	1.0	.8	1.4	1.6
Age 18-25						
Used in Past Year	N/A	8.1	7.0	10.2	19.6	18.8
Used in Past Month	N/A	3.1	2.0	3.7	9.3	6.8
Age 26 and Above						
Used in Past Year	N/A	*	.6	.9	2.0	3.8
Used in Past Month	N/A	*	*	*	.9	1.2

N/A = Not available  
\* = Less than 0.5%

- - - -

Estimated Projections of the Household  
Populations--1982

	<u>Age 12-17</u>	<u>Age 18-25</u>	<u>Age 26 &amp; Older</u>	<u>Total</u>
Ever Used Cocaine	1,490,000	9,260,000	10,820,000	21,570,000
Current Use of Cocaine	380,000	2,230,000	1,550,000	4,170,000

Not: Current use is defined as use one or more times  
in the month prior to survey

Source: National Survey on Drug Abuse, issued by the National  
Institute on Drug Abuse.

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prices and increasing availability of coca paste, free base and cocaine in the United States, use of the drug in quantity is increasing, that the composition of the market is broadening to embrace areas beyond the major metropolitan centers as well as to include a broader range of people in terms of age and occupation. There are also press reports of more diversified production sources, more complex transit networks and more sophisticated marketing systems.

Drug use in the United States, as reported by the UN Secretary General in his afore-mentioned 1985 Report to the UN-ECOSOC's Commission on Narcotic Drugs, shows some leveling off in 1984 compared to prior years:

"Estimates based on extrapolations from a national survey conducted in 1982 showed the number of persons who had used drugs within 30 days prior to the survey to have been: cannabis: 20,020,000; cocaine: 4,170,000; barbiturates: 1,570,000; hallucinogens: 1,010,000. This survey indicated that abuse of these drugs was decreasing. In 1982, for instance, the number of drug abusers, by drug used, had been: cannabis: 22,520,000; cocaine: 4,330,000; barbiturates: 1,610,000; hallucinogens: 1,990,000. However, the abuse of amphetamines had increased, the number of abusers had been estimated at 1,969,000 in 1982 compared with 2,880,000 in 1983. "Cannabis remained the illicit drug most widely abused; misuse by young people (age 25 and under) had declined gradually since 1978, but there had been no change among adults of 26 years of age and older..."

"Approximately 298,618 persons were admitted in 1983 to 2,961 State-supported drug abuse treatment units which provided detoxification, maintenance and drug-free therapy in out-patient, residential and hospital environments. A wide range of Federal, State, private and religious agencies helped abusers to reintegrate into society; emphasis was placed upon vocational rehabilitation to enable patients to become self-supporting, enhance their dignity and increase self-reliance."

2. The Western European Market. The next largest market is Western Europe where it appears that demand is rising. Consumption appears to be increasing coincident with the recent drop in cocaine prices and the improvement in European economies. Evidence to support this assumption can be found in the increase of cocaine shipments through Argentina, Brazil and Paraguay to Spain and Germany. Again more sophisticated marketing techniques may be contributing to the apparent increase. Cocaine abuse, although increasing, was less widespread than that of heroin. Belgium, France, Greece, Iceland, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland and Turkey reported significant cocaine-related drug abuse problems in 1983. The incidence among the younger generation, the linkage of drug use to crime and anti-social behavior and the need for large-scale public treatment and education

programs are common threads in reports from various European countries on their drug problems.

However, cocaine use in Western Europe appears to be substantially less widespread than in the United States. The 1985 U.N. Report [Document E/CN.7/1985/3 (Part One)] summarized the situation as follows:

"In Western Europe, cocaine is widely available and abuse appears to be growing throughout much of the subregion. 449 kilograms were seized 1982 and over 1.15 tons in 1983: an increase of 156%." Nevertheless, this is a very small percentage of the cocaine reportedly seized in The Americas in 1983, which the UN reported to be some 38.7 tons.

3. The Latin American and the Caribbean Market. One of newest and fastest growing markets is in Latin America and the Caribbean-- in the producing and transit countries. The first references to coca paste (bazuco) and cocaine in these countries appeared in the early 1970's as fall-out from the "coca boom" in the United States. In that decade, it is reported in police and press accounts that the drug traffickers had seriously embarked on building up secondary markets by paying off processors, middlemen, transporters and other "accommodaters" involved in the operations (including public officials accepting bribes) in part with cocaine and/or coca paste. This stimulated the development of local markets. By the end of that decade, coca paste and cocaine had become identifiable health problems in a few countries and a major source of public concern in many others.

Even though cannabis continues to be the drug with highest illicit consumption in Latin America, in the last few years coca paste and cocaine have begun to challenge its dominance. They have apparently become the choice of the elites. Reports indicate that cocaine demand is generally concentrated in urban areas, with the greatest percentage of users being students and young adults of the more affluent income groups. Paste smoking is also generally centered in urban areas but is not confined to the more affluent, and attracts a generally younger age group, especially those between 16 and 25 years old.

Specific information on the number of users of coca paste and cocaine is sketchy. However, the evidence was sufficiently troubling to ten South American countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela) in the early 1970's that they established the South American Accord on Narcotic Drugs and Psychotropic Substances (ASEP) to help coordinate a continental campaign against illegal narcotics. In study No. 3, Section 2, additional information is provided on the Accord and its programs. In its annual meeting for 1984 in Bogotá, the member countries presented candid reports on sharply expanding drug abuse, especially among children and adolescents.

From the reports to ASEP, the annual submissions for the UN-ECOSOC Commission on Narcotics and studies by experts, an increasing body of data on drug use in several countries of Latin America and the Caribbean is emerging.

From Peru, there is considerable information. The Report of the International Narcotics Control Board for 1984 pointed out: "Peruvian authorities are deeply concerned about drug addiction, particularly among school age youth. In many cases, this abuse has taken the form of smoking a mixture of coca paste and cannabis. The media is giving unprecedented attention to the threat of drug abuse". The Peruvian expert, Dr. F. Raúl Jerf, based on studies made by Peruvian researchers in rural and urban areas, concluded that, of the population in 1984 at greatest risk to drugs, some 13,500,000 Peruvians between 12 and 45 years old, 180,000 used coca paste and 100,000 cocaine. (See 1985 Report "The Medical and Social Problems of Drug Abuse in Peru" prepared for Special Permanent Commission on the Prevention of Drug Abuse, Lima, Peru)

In the case of Colombia, the afore-mentioned 1984 Report of the UN Secretary General states: "Abuse of cocaine and coca paste (bazuco) gave cause for great concern". In its 1984 Report, the International Narcotics Control Board commented: "The growing abuse in Colombia, resulting from the ready availability of cannabis, coca paste and cocaine causes widespread public concern. As in the case of Peru, one particularly hazardous modality of abuse which has created a serious public health problem involves the smoking of mixtures of cannabis and coca paste. The Government has accelerated prevention, treatment and rehabilitation." The most frequent users in Colombia are young people between 12 and 24 years of age, and the Ministry of Health estimated in 1984 that over 600,000 persons under age of 18 regularly smoked bazuco. The Colombian Government in its 1984 annual report to the ASEP, advised that, from January to September 1984, it had seized over 33 kilograms of cocaine, closed down 147 laboratories processing cocaine, destroyed over 34 million coca plants and arrested 2,648 people involved in illicit drug activities. Cocaine appears to have replaced cannabis as the most widely used illegal narcotic in Colombia.

In Bolivia, coca paste is reported in wide use. It is inexpensive and readily available as pitillo, a mixture of coca paste and tobacco for smoking. In Brazil, both coca paste and cocaine are gaining in use, especially among teenagers in Rio, Sao Paulo and other cities; however, police and medical reports indicate widespread usage, especially of bazuco in the countryside --even in the far reaches of the Amazon River Basin.

The Governments of Argentina, Ecuador and Venezuela also expressed their concern at similar in-roads being made among its youth by bazuco and cocaine. In Central America, the Caribbean and Mexico, cannabis remains the primary cause for concern of Governments; but, with this area

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increasingly involved in transit of cocaine to the United States, Canada and Western Europe, there is a justifiable basis for concern about the potential for increased usage of coca paste and cocaine in that area.

There are a number of factors responsible for the increasing demand for cocaine and bazuco in Latin America and the Caribbean. Three of the most important are (1) the glamorization of the drug, (2) the increased interdiction efforts and (3) the effectiveness of marketing techniques.

1. Unlike drugs such as heroin, cocaine has been glamorized by the media. Social pressures against cocaine are not as great as against some other drugs. Myths about its relatively less addictive qualities have led many younger users into the cocaine and bazuco traps. But perhaps, more significantly, cocaine has come to be associated with the rich and powerful, attributing to the status, glitter and sex appeal of its users. This reputation acquired in Europe and the U.S. has been rapidly transmitted in our telecommunications age to Latin American and the Caribbean.
2. A second factor which has contributed to increased demand in Latin America and the Caribbean has been stepped-up international interdiction efforts. There are reports that, as it becomes more difficult to move the drugs to the high price markets in the U.S. and Europe, the traffickers tend to subsidize sales in local markets in order to stimulate demand in the producing and transit countries. In addition, due to greater control over and reduced accessibility of precursor chemicals needed for producing cocaine hydrochloride, larger amounts of low grade coca paste are sold domestically as pitillo or bazuco. Traffickers have significantly increased their efforts to build new markets in producing and transit countries, including giving away pitillo or bazuco at gatherings of young people in order to promote local interest in the drug and stimulate new demand.
3. The third factor responsible for increasing demand is the growing effectiveness of marketing techniques employed by the traffickers. Playing up the glitter of drugs and using their extensive marketing and distribution networks, they have enticed people into selling drugs for profit and power. Typically, a trafficker will offer to "front" drugs: i.e., a trafficker initially provides a certain amount of drugs to a dealer without requiring him to put up any money; only when the dealer sells the drugs, must he settle up with the trafficker --the trafficker reportedly charges no interest and allows the dealer to keep his profits. Hence, "fronting" is a process for allowing a dealer to make money without putting up his own capital. Once the dealer is established, the trafficker may

well offer the drugs in quantity at a discount from the regular price so that the profits increase and so do the quantities. In turn, the dealer may then "front" smaller quantities to new dealers and the chain goes on. The more drugs are moved, the more money is made. Since the coca trade functions exclusively on cash, with tremendous amounts of money changing hands, cash is available for use for bribes, protection and other sorts of crime and corruption.

The demand factor obviously needs much greater analysis. Only in the past several years has it awakened the concern which it merits. What induces young people to make drugs, especially bazuco and cocaine, an acceptable element of their lifestyle warrants much more careful investigation by public and private groups. As the afore-mentioned 1985 Report by the UN Secretary General to the UNECOSOC's Commission on Narcotic Drugs, pointed out:

"Reports indicate that benefit would be gained if it were possible to quantify with more accuracy the quantity of any drug or drugs consumed by an individual abuser, whether on an occasional experimental basis or as part of a more deep-seated pattern of addiction. These data, in turn, should be correlated with estimates of the number of abusers of the range of drugs under consideration and the frequency of such abuse.

"In order to enable Governments, organizations and communities concerned to make an impact on the problem, it is clearly also necessary to identify with greater accuracy where drug abuse occurs; many reports indicate that the phenomenon continues to spread from larger cities and towns into smaller urban locations and indeed into rural areas."

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## Section II

### Current Actions to Reduce Demand

The "drug boom" of the past decade has been built on an insatiable demand for narcotics, and it is clear that, despite programs in the consumer countries, demand has continued to grow. The drug trafficker sits at the center of an operation that pushes his product and generates new supplies to meet his expanding markets. To attack the demand, governments have generally mounted a two-pronged effort:

- public information and education on drugs and the dangers of drug abuse, and
- interdiction of supplies flowing to the centers of consumption.

In some countries, especially the United States, in the last couple of years, a third prong has been developed, namely, the tracing and seizing of illicit drug money in order to take the profits out of the malevolent endeavor.

In this section, an examination will be made of the actions taken to date and to set the stage for the consideration of cooperative Inter-American measures to curtail demand.

1. Information and Education. In the past few years, all of the member countries have begun to face the problem of increased drug use and addiction as indicated in Section 1 of this Study. Deep concern has led to the organization of public and private institutions which carry to the people, especially the youth, the message about the dangers of drugs. In many countries, these efforts remain isolated and often underfunded; but in the past two years because of the growing alarm among the political and social leaders in several countries, these activities have begun to take on significance.

Unless the potential and current users come to understand the dangers inherent in narcotics and their effects on mind and body, there will be little progress in reducing demand --and little hope for turning off the flood of drugs. Widespread dissemination of credible, relevant information on drugs and the real consequences of drug use is needed--with an explicit message not to use them. Great care must be taken to shape information campaigns to each environment and to avoid scare tactics that might well be counterproductive. There is always a danger that public attention to a drug might tempt some people, especially among the young, to try it. This is a calculated risk, and the odds favor those fighting drugs when their facts are right and their message, properly honed.

In many countries including several with burgeoning drug problems, information about and education on drugs has been entrusted to units on mental health in Ministries of Health and/or Education. There is a clear and immediate need to upgrade such efforts and to move their focus out of the schools and the health centers to the streets and social clubs where youth in particular can be reached.

Some of the most effective efforts are designed around advanced audio-visual techniques to motivate people to resist drug use. Others are drawing on the experience of ex-users to explain to young people the damage done to them and their lives. All the promising programs have involved broad scale public awareness of the effects of drugs and popular involvement in efforts to discourage drug use. Some of the most significant recent ones have been the campaigns undertaken by several First Ladies of the Americas. Mrs. Nancy Reagan in the United States and Sra. Rosa Elena de Betancur in Colombia are examples of major national efforts that focus on the war on drugs. In her address to the VI Annual conference of the South American Accord on Drugs and Psychotropic Substances (ASEP), held in Bogotá, November 6-9, 1984, the First Lady of Colombia outlined the work being carried out in that country "where we have assumed the leadership in information and education against drug addiction". She then indicated that:

- "1. We work in the high schools, motivating teachers to participate and awakening in them a receptive attitude to help the students, promoting recreational, sports and cultural activities that could be alternative to the vice of drugs. Here, the Ministry of Education and departmental Secretariats of Education are involved.
- "2. To the youth, we offer knowledge to alert them to the consequences of drugs. We present them means to face the curiosity and temptation of drugs. We awaken constructive interest in sports, ecology, literature and community service.
- "3. To the parents, we make a call to conscience about the gravity of the problem of their children and on the role of drug prevention. Parents are motivated to face the problem; information is provided them on the importance of family harmony and relationships with their children in preventing drug use.
- "4. To the workers, information is made available on the effects of drug use in the search for jobs, on job security and in moving ahead on-the-job.
- "5. And, to adults, in general, an attitude to fight the scourge is awakened.



"Our campaign has been direct, with specific objectives oriented to education and information that relate to demand and consumption, more than production and distribution.

"The collaboration of the communications media (press, radio and television), the public and private sectors must also be stressed, for day by day through that collaboration, if we do not eradicate the evil, we will put a brake on its deadly action."

The program sponsored by the First Lady of Colombia illustrates the dimensions of action needed on the national level in member states to fight drug use. Its relevance internationally is equally compelling, and it was drawn upon when she participated with the First Lady of the United States in the world-wide event, in which 17 other First Ladies joined forces to fight drug use. This meeting of First Ladies dramatized the problem. Such meetings, as part of major efforts sponsored on a long term basis such as those promoted by Mrs. Betancur and Mrs. Reagan, offer promise of effectively reducing demand.

These are incipient efforts, beginning at a time when coca/cocaine use is apparently growing rapidly. Outside of the United States, there are few comprehensive statistics which allow us to determine trends. There are very few systematic epidemiological studies with essential information needed to prepare meaningful profiles on drug users. And, experience indicates that successful campaigns should be directed primarily toward those people most at risks and provide them with both the assurances and facts needed to deter them from using drugs.

Since the severity of the drug problem surfaced first in the United States, more work has been done in that member country than in any other. Thousands of anti-drug organizations have been formed by private citizens in communities across that country. National organizations, in the public and private sectors, have also taken root. In Latin American and the Caribbean member countries, such efforts are just beginning. Parents groups like the APPUE in Buenos Aires are just starting up their activities. In Venezuela, film strips and television clips have been developed under the auspices of the National Commission against Illicit Drug Use. In Peru, the Special Permanent Commission for the Prevention of Drug Abuse has prepared pamphlets and conducted seminars. The pace of activity in Latin America and the Caribbean is accelerating rapidly as the dimensions of the problem become ever more alarming. Then, too, contact is increasing between groups in each country and among countries. 1985 saw new initiatives to build bridges so that organizations can share experiences. The United Nations Division of Narcotic Drugs conducted a regional workshop on drug use in Lima, December 3-10, 1984. The ASEP conducted a survey in 1984 in South America on drug education programs. The US Government, under the leadership of Mrs. Reagan, has undertaken major new initiatives in 1984 and 1985 to discourage demand for drugs,

especially among youth. The momentum is building, but the efforts are still far from optimum --especially in the face of the perniciousness of the drug problems.

2. Interdiction. Parallel in importance to awakening public concern and resistance to drugs is ever more effective action to disrupt the flow of drugs to the market places of countries, especially in those places in which youth can be exposed to them. Interdiction is the complement to education. One without the other will in all likelihood fatally impair any program to reduce demand.

Interdiction is the vehicle of the state to interrupt the flow of drugs to the consumer. Implementation of such efforts as a responsibility of the state is often an additional expense to the government involved. Due to the high cost, many governments of developing countries have had to recur to developed countries and international organizations for financial and technical assistance, equipment and training. Interdiction may be effected at any one of the critical transfer points in the traffic chain --between producer and processor or processor and dealer or dealer and consumer. The aim of these interdiction efforts must be not only to prevent the transfer of narcotics from party to party or place to place, but also to intercept or confiscate the cash which is the lifeblood of drug traffic.

Interdiction between producer and processor generally occurs in the producing country, often in the fields and jungles, on rivers and airstrips. Interdiction requires methods which are often expensive, time consuming and labor intensive-- including man hunts through jungles, manual eradication of crops by pulling up or burning one plant at a time or intercepting small shipments to assembly centers. Due to the high visibility of the field agents, be they civilian police or military, the dangers and risks are great. They are often cast as enemies of the people who destroy the livelihood of the campesino. In addition to eradication efforts, some governments have licensing programs designed to limit supply to levels authorized by the UN International Narcotics Control Board; with the eruption of demand for illicit coca, the licensing programs have been difficult to monitor. Other governments experimented with subsidies for non-coca crops to discourage coca cultivation; these have generally proved to be too expensive and too difficult to monitor. Neither licensing nor subsidies have effectively intercepted the supply of coca.

The next link to be broken by interdiction is between the processor and the dealer. This involves the international movement of coca base and cocaine. In this step the trafficker or trafficking group may be both the shipper and receiver or processor and dealer. Interception may be attempted at borders as the traffickers enter or leave a country with drug shipments. It may also occur in international waters or airspace, aboard ships and planes. This is one of the most important and necessary areas for international cooperation including customs cooperation, information

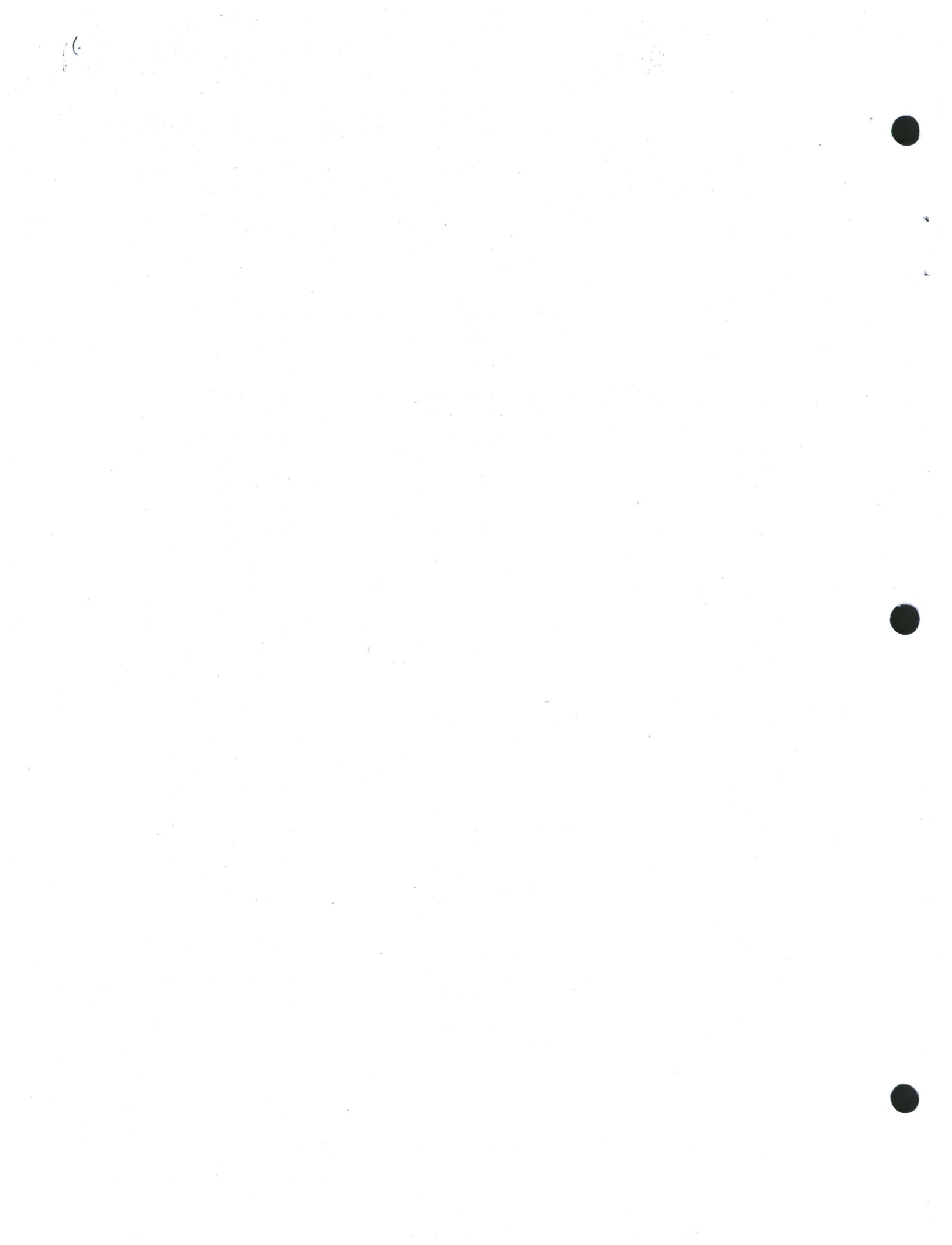
exchange and extradition. The monitoring of chemicals needed for processing is another element in this phase of interdiction. Control of the precursors has become one of the most successful recent phases in the interdiction process. However, this link is an area where jurisdictions of national authorities tend to overlap or become unclear; and, it is in this gray area that international agreements on norms and procedures could facilitate effective interdiction and thereby facilitate international cooperation. It is important that responsibilities here are understood and shared so that the traffickers cannot slip through the cracks and loopholes.

The last link for interdiction is between the dealer and consumer. At this point, the responsibility rests in the consuming country. When the drugs have evaded customs, they pass into the hands of wholesalers and retailers in the consuming country. It is the task of the police to break up the movement of illicit drugs to the consumers by strict enforcement measures in accordance with their established legal machinery.

To facilitate cooperation and improve the capacity of the agencies in the member countries responsible for drug interdiction, organizations such as UNFDAC and USAID offer assistance in the form of police training. When methods and procedures are understood by all the various national enforcement agencies involved, and their activities become mutually compatible, the overall operations tend to become more effective.

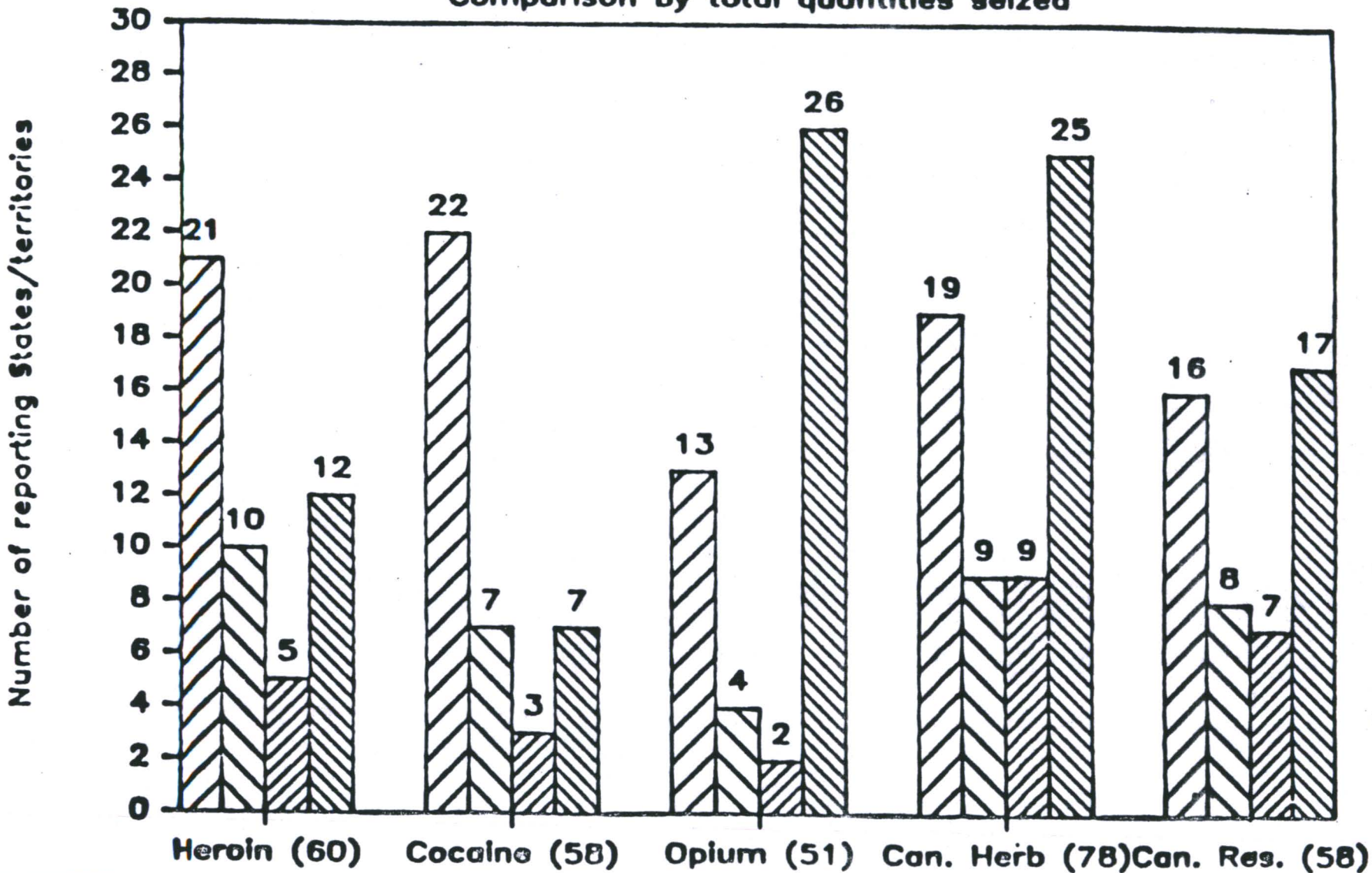
The evidence indicates some improvement in interdiction efforts over the past several years. Charts 2 and 3, which were presented to the UN Commission on Narcotic Drugs in the 1985 Report by the United Nation Secretary General on the "Situation and Trends in Drug Abuse and Illicit Traffic", illustrate the sharp increase in the seizures of illicit drugs in 1983 over 1982. These chart reflect the information provided by 109 countries and territories in their 1984 annual reports. 90% indicated that they had been victims of illicit traffic.

The United States Drug Enforcement Administration (DEA), in its May 1985 Special Report, "Worldwide Cocaine Trafficking Trends" described the efforts of many member states, in particular Colombia, to disrupt the drug traffic. It pointed out that new countries were becoming enmeshed in the cocaine network as their territories were being used for transshipping or processing cocaine.



# SEIZURE TRENDS : 1982/1983

Comparison by total quantities seized



 strong increase

(more than 100 per cent above 1982)

 increase

(from 20 per cent to 100 per cent more than 1982)

 stable

(20 per cent above or below 1982)

 decrease

(more than 20 per cent below 1982)

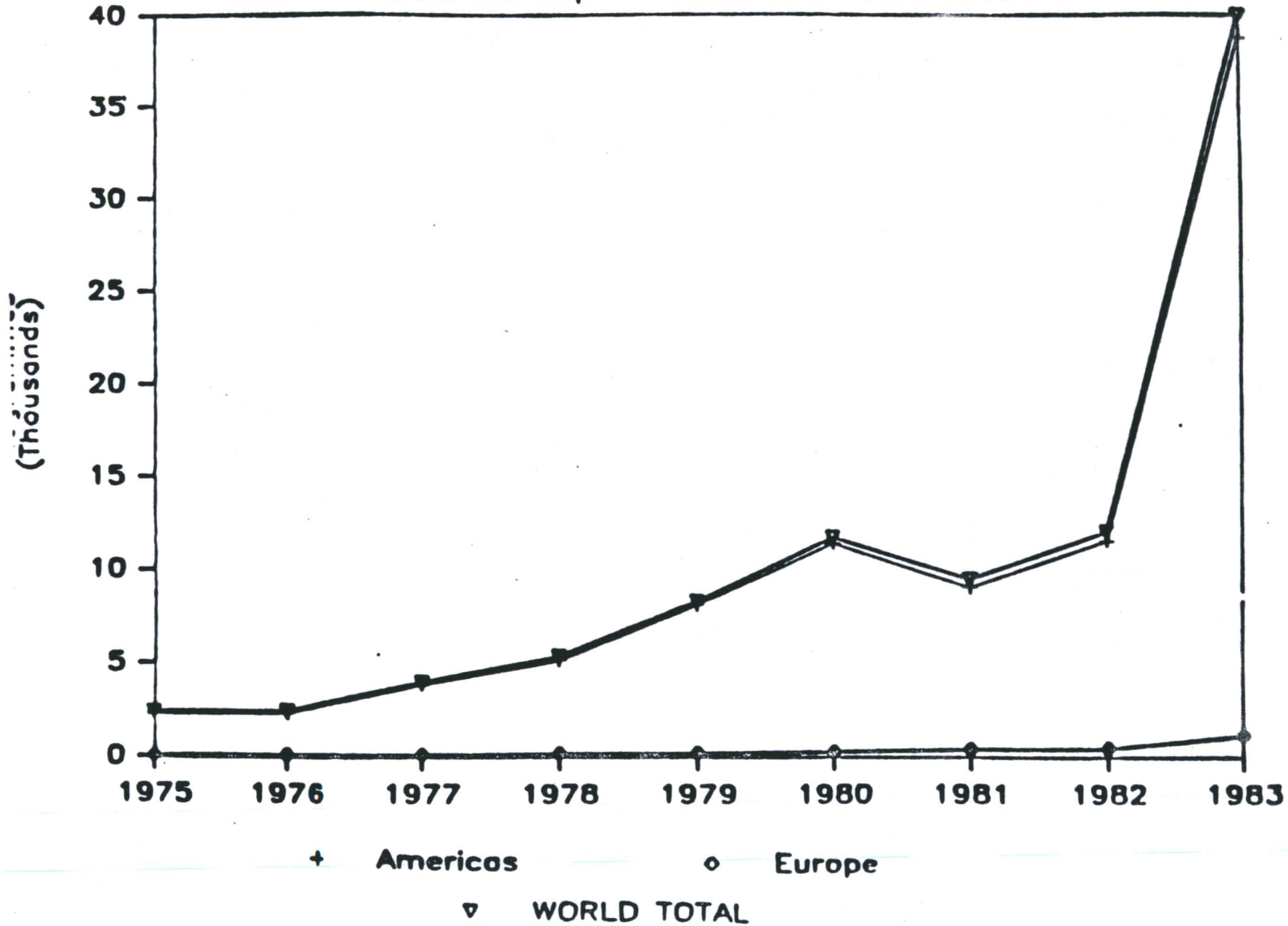
SOURCE: UN DOCUMENT E/CN.7/1985/3 (Part One) of 17 January 1985.

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CHART 3  
COCAINE

Quantities Reported Seized 1975 - 1983



SOURCE: UN DOCUMENT E/CN.7/1985/3 (Part One) of 17 January 1985

0.





The volume flow of cocaine to the United States market in 1983 and 1984 according to the mentioned DEA Special Report, based on seizure data at the US ports of entry and in international transit was approximately 62% by general aviation aircraft, 18% by commercial aircraft, 11% by non-commercial sea vessels, 8% by commercial ships and 1% by land transportation.

As interdiction efforts apparently became more effective in 1984, the DEA reports that "prices of coca products and essential chemicals began to rise in 1984, reversing the downward trend in recent years. Drug enforcement efforts in Bolivia caused the kilogram prices of cocaine HCL [hydrochloride] to rise from US \$2,500 for the first six months of 1984 to US \$8,000 by year end. Although price information for Peru is sketchy, some reports indicate that coca prices may have tripled during 1984. Intensive drug law enforcement activity may have been responsible for increased prices for coca products in Colombia last year. Cocaine HCL [in Colombia] prices doubled from around US\$4,000 to \$7,000 per kilogram at the beginning of the year. Restrictions on the importation of essential chemicals also caused the price for a 55-gallon drum of ether to rise from US\$4,200 at the beginning of the year to around US \$7,000 at the end of 1984."

As the afore-mentioned UN Report on the "Situation and Trends in Drug Abuse and Illicit Traffic" summarized: "In 1975, for the first time, total quantities of cocaine reported to have been seized worldwide surpassed those of heroin. This pattern has continued, with consistently much larger total world seizures of cocaine than those of heroin. In 1982, 12 tons of cocaine were reported world-wide, in 1983 reports from governments totally 40 tons, an increase of 230 per cent..." The report also emphasized the increased sophistication of the drug traffickers and the diversification of international delivery systems as interdiction efforts have been stepped up. The resources available to traffickers are enormous; in fact, they frequently exceed those at the disposition of national governments and international organizations.

3. Tracing and seizing of drug dollars. The profits available from the drug trade is one of the primary incentives to the traffickers. It is, hence, convincingly argued that, if the profits can be taken out of business, the traffickers would lose interest.

One way of knocking out the profits is the interception of the flow of drugs. Another is to mount a sophisticated operation to trace drug earnings and to establish norms and procedures for the governments involved to confiscate the illicit earnings. It is this latter alternative to which the United States has begun to give very careful attention in recent months.

In the March 18, 1985 Issue of Business Week, the cover story was on "Money Laundering - Who's Involved, How It Works and Where It's

Spreading". The article graphically displays how a drug dealer launders his street earnings which are invariably in cash, how that money flows to safe havens in various parts of the world and how it tends to be ultimately invested in legitimate low-risk enterprises, usually in the developed world.

The focus on the "cash trail" raises a number of problems. Not only is it a complex operation but it conflicts with the financial privacy regulations which some Governments have enacted to attract investments. However, as the James D. Harmon, the Executive Director of President Reagan's Commission on Organized Crime pointed out, this cash is "the life-support system without which organized crime cannot exist."

In the United States, the campaign is beginning to have some positive results. The US Treasury was able to seize some \$75 million in illicit drug profits from 1981 through the end of 1984. About 40 US banks and financial institutions have been penalized for failure to file required government reports on cash transactions of more than \$10,000, and a score more are under investigation. The sophistication of these laundering operations involves financial institutions and banks throughout the world.

The target in the United States is the \$110 billion drug traffic. Business Week described it as "a business that is transacted primarily in \$20 bills. Without the services of money launderers, America's drug dealers would be drowning in cash. At the simplest level, laundering turns those \$20 bills into something safer and more portable. A suitcase filled with \$1 million worth of 20's weighs more than 100 lb. and cannot easily be lugged around.

"Laundering typically must also transform cash into money that cannot be traced. When the wash-loads were smaller, and federal agents less nosy, the simplest way to launder was to fly cash out of the country and run the money through little-noticed banks in Panama and the Cayman Island. That is still done, but the cash is bulky and airport officials have grown used to spotting couriers carrying Pampers or Monopoly Boxes stuffed with bills.... As the volume of dirty cash ballooned, launderers increasingly turned to large US banks where huge money flows are less noticeable. The trick then is to avoid having the bank file the required forms for cash deposits of more than \$10,000. Some take the direct route and bribe a bank employee. Others keep their deposits under \$10,000 or buy stocks of cashier's checks, which are deposited in other banks. More sophisticated launderers create accounts in the names of Panamanian shell corporations so the forms don't provide any useful information. The really energetic launderers get a legal exemption from the form by pretending they are a legitimate retail outfit with huge cash flows."

Cooperation among members states in the tracing and seizure of illicit drug profits is at an incipient stage. But, if the profits could be taken out of the drug traffic, a major step could be taken not only to

reduce demand by eliminating the sellers but also to wipe out illicit drug use. Then, too, the funds confiscated from money laundering operations could be used to finance drug eradication programs and/or re-ignite the development process.

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### Section III

#### Possible Inter-American Cooperative Measures to Reduce Demand

The evidence overwhelmingly points to an increase in drug use. The various reports by international and national, private and public agencies sound the same theme. There is real cause for alarm; and, there is no basis for believing that current measures are effectively reducing demand. And, unless demand can be curtailed and drugs deglamorized, especially for the young, there can be little hope that this scourge can be overcome.

In his 1985 Report by the UN Secretary General to UN ECOSOC's Commission on Narcotic Drugs (Document E/CN.7/1985/2), the current situation and the effectiveness of actions to deal with it was synthesized in the following terms:

"All reports indicated that during 1983 and 1984 drug abuse continued to spread. Increasingly complex patterns of multiple drug abuse emerge. These frequently involved combinations of a variety of narcotic drugs, psychotropic substances, alcohol, volatile solvents and substances not controlled under the international drug control treaties. More sectors of a growing number of societies were affected; most reports drew attention to the special vulnerability of young persons. On a regional basis only parts of Eastern Europe, parts of Central Asia, including China, and a number of island States and territories of the South Pacific were relatively unaffected.

"In terms of countermeasures most benefit continued to be gained from activities to prevent and reduce drug abuse which involved a wide range of both governmental and non-governmental organizations. Special benefit appeared to derive from involvement of those parts of communities and societies which could stimulate, support and strengthen the will of young persons in particular to resist any temptation to experiment with or abuse drugs. Such broad-based community involvement began, judging from reports received from some Governments, to make an impact in 1983 in reducing the speed with which drug abuse spread among young people in some sectors of some societies."

It is all too apparent that, despite the considerable efforts of Governments, the family of United Nations agencies and other public and private organizations, there is a tremendous amount that must be done to bring down the demand. This is especially needed in the major markets, and two of the three primary centers of consumption are in member states of the OAS: the largest, the United States; and the newest, Latin America and the Caribbean. The demand by over four million estimated consumers in the U.S. is sufficient to fuel a multi-billion dollar operation. The evidence from Latin America and the Caribbean implies a burgeoning of

demand over the past several years --and, as yet, no indication that the peak in demand has been reached. It is not an exaggeration to depict the current situation in the Hemisphere as alarming-- as approaching epidemic proportions which pose serious threats to the well-being and future of our societies.

In the face of the threat, what measures are needed to reduce the attraction of drugs, especially to the youth? What programs offer promise to turn users away from narcotic drugs and psychotropic substances, including coca paste and cocaine, and to prepare youth to reject the temptation?

The experience to date offers some insights for meeting this challenge, but there is no assurance that the world community has yet devised a viable cure for this disease:

1. The efforts must be long-term. There are no ready-made miracle drugs available to counteract illicit narcotics.
2. The efforts must be directed to the users and those at risk. For this purpose, much more specific data are needed to identify the variety of causes for the demand for drugs (sociological, psychological and physiological) and to pinpoint how different users consume them. For some, the use of drugs is seen as a medical, epidemiological problem --and, indeed, in some measure, it probably is. But, in a broader sense, the drug explosion appears to have sociological roots-- sometimes related to affluence or peer pressure; in other cases social tensions, exigencies faced on-the-job, absence of personal relationships or generational conflicts. Until there is much more careful investigation of the causes for and characteristics of use, the effectiveness of efforts will not achieve the desired results.
3. The programs must be high-visibility and geared to the broadest audience possible, but tailored especially to the interests of youth.
4. The profits must be taken out of the drug business so that the traffickers lose their enormous financial advantage over the law enforcement community and are estopped from countering efforts to discourage consumption of narcotics.
5. Programs at the local, national, inter-american and world-wide level need to be mutually reinforcing and coordinated for optimum impact.

These guidelines must be applied to broad-gauged campaigns aimed at informing the public, especially our youth, about drugs. Demand is a consequence of desire to consume. And, desire to consume in our hard

sell, consumption-oriented societies is stimulated by the advertiser and distributor who glamorize their product. To stop narcotics, the drug trafficker has to be forced out of the market at the same time that the truth about drugs is being disseminated among users and potential consumers. To reduce and ultimately eliminate demand for illicit drugs is probably the ultimate answer to the scourge of narcotics; for, if there is no demand, there will be no production.

The evidence suggests that effective measures to reduce demand, consistent with these insights, should encompass a three-pronged coordinated campaign, which is designed for both immediate impact and long term results and which includes:

- public information
- enhanced enforcement, and
- taking the profits out of the illicit narcotics business.

In effect, two of the three phases of such a campaign parallel the effort needed to effect a curtailment of production for illicit traffic as proposed in Study N°1, namely, public information and enhanced enforcement. Only the third component represents a new dimension in the overall attack on the drug problem.

It should be noted that there are some experts who have proposed a radically different solution, specifically, the legalization of all narcotic drugs, including coca-cocaine, and the establishment of international machinery to insure full government-to-government control of all aspects of production, processing, transportation and dispensing. Such a solution would entail a total reversal of prevailing international and national thinking about and legislation on such drugs. As long as the Single Convention on Narcotic Drugs, and its Protocol, the Declaration of Quito and Resolution AG/Res. 699 remain the underpinning for world-wide and inter-American action, the legalization route is anathema to all countries party to them or partisan to their precepts. Advocates of legalization seek to take the criminal elements out of the drug business and to provide the addict with licensed or public outlets for receiving drugs. They would tie treatment for overcoming addiction to the provision of drugs through government-controlled supply centers. They would establish prices which would cover the costs from producer to consumer, but eliminate the profits. This would result in cocaine selling for a fraction of its reported current street price in the US of \$40,000 to \$60,000 a kilogram. Without the profits and with a concerted effort to reach and educate users, it is argued that the drug mania could be brought under control. And, the drugs themselves in such a controlled system could become the financial source of the anti-drug campaign.

This proposal by itself has serious limitations. Narcotic drugs, especially coca-cocaine, are pernicious, destructive substances which endanger the physical and mental health of individuals and societies. These effects are contrary to the objectives specified in Chapter VIII, Article 43 a. of the OAS Charter which provides: "All human beings, without distinction as to race, sex, nationality, creed, or social condition, have a right to material well-being and to their spiritual development, under circumstances of liberty, dignity, equality of opportunity, and economic security." Such deleterious substances prevent material well-being and spiritual development as was emphasized in the Declaration of Quito. Nevertheless, it is argued that by establishing a network of legal distribution centers, where registered users could obtain drugs and treatment, the criminal element would be cut out of the process and public efforts to fight further abuse could be enhanced.

These advocates are not necessarily proponents of drug use. Many are adamantly opposed thereto. Some would combine legalization with major campaigns to discourage drug use, especially among the young, and to have these campaigns financed principally by money generated from purchases by users at legal drug dispensation centers. Their underlying purpose is to get organized crime out of the drug business and to channel the energies of government from enforcement to prevention of drug use and treatment of addicts.

Legalization poses a range of issues from production to consumption which challenges the current assumptions and strategy of the community of nations. Narcotic drugs identified by the International Narcotic Control Board are prohibited substances because of their threat to people and societies. There is no debate about their effects, and to legalize them would give them a status which is contrary to the terms and provisions at the UN Single Convention on Narcotic Drugs. Such action would at best confuse the public, especially the young. And, there can be no assurance that legalization and its processes would achieve the objectives sought. Experience to date indicates that organized crime would probably seek to continue its illicit operations by focusing on new potential users, especially young people. Profits might decline, but the lure of the illicit has sufficient attraction to a segment of the body politic in the Hemisphere to keep the criminal element involved.

Even if legalization were to be considered as a component of a program to reduce demand, it of and by itself would be no assurance of reduced demand for narcotic drugs, including coca-cocaine. Reducing demand requires a sustained operation to make drug use unattractive to users and to traffickers. And, for this purpose, the three-pronged campaign as suggested above is urgently needed.

1. The first group of measures are in the field of public information on a scale hertofore untried. What is required is a mass mobilization of consciousness about the effects of drug use and an



involvement of every sector of the community, from family to school, from workplace to social club in a sustained program to discourage experimentation with, tolerance and consumption of narcotics.

Only with the campaign undertaken by the First Lady of the United States, Nancy Reagan, has a start been made. Her involvement of other First Ladies of member countries provides one of the most encouraging undertakings in this field and, it may well be an indication of the centerpiece for cooperative inter-American measures to combat drug use.

The actions required should be dynamic, diverse and sustained, reaching to every corner of our member countries, to every social group and especially to the younger generations. They should give special attention to the major market place, the United States.

Its overall aim should be to deglamorize drugs and ensure that every person understands their impact on the mind and body as well as the community. Such a campaign must be prepared to help treat current users and to deal with the causes that induced drug abuse in the first place.

What is proposed goes far beyond school education programs and the occasional seminar. The elements of such a program would include:

- a national effort in each member country headed by the First Ladies of our Hemisphere;
- an inter-American clearinghouse through which a steady flow of information, experiences, ideas and programs could be exchanged;
- periodic--perhaps semi-annually-- inter-American coordinated anti-narcotic telethons in which political, medical, show business and community leaders from Canada to Argentina could keep the public aware of the problem and raise funds to help each and every country fight the in-roads of drug use;
- promotion of community level organizations in every major district of every city, town and village of the continent which could mobilize school, church, neighborhood, medical center and social club to join the fight against the scourge of drugs;
- improvement of statistical and epidemiological information on drug use. Much more precise data are also needed on the patterns of consumption by users. There is only fragmentary information about how drugs are administered, in what dosages and how often used. Both for prevention and treatment, specifics on these points would greatly facilitate effective action. As the U.N. Secretary General pointed out in this fore-mentioned 1985 Report to the UN ECOSOC on The Situation and Trends in Drug Abuse and the Illicit Traffic. "Reports

indicate that benefits would be gained if it were possible to quantify with more accuracy the quantity of any drug or drugs consumed by an individual abuser, whether on an occasional experimental basis or as part of a more deep-seated pattern of addiction. These data, in turn, should be correlated with estimates of the number of abusers of the range of drugs under consideration and the frequency of such abuse."

- preparation of film strips, slides, television clips, pamphlets, talking points, posters and other audio-visual aids which explain, educate and influence the people of the Americas, especially the youth, not to use drugs.

What is needed is an extensive, sustained and imaginative effort. The inter-American system could well serve a major role in such a campaign --as coordinating point, clearinghouse and facilitator. The involvement of the First Ladies could be effected through their becoming honorary chairpersons of the inter-American effort; and, if the member countries were to choose a mechanism such as an inter-American commission to deal on a sustained basis with this problem, they could provide overall guidance for the commissioners in designing and carrying out a cooperative hemispheric campaign.

Much more detailed and specific program proposals are contained in the Study prepared for the Inter-American Specialized Conference by the Permanent Executive Committee of the Inter-American Council for Education, Science and Culture (CIECC) on the educational aspects of prevention and control of unlawful use of drugs, in compliance with operative point 8 of General Assembly Resolution AG/Res. 699.

2. The second group of measures are related to enhanced enforcement efforts by all member governments to intercept the flow of drugs and to dismantle the illicit drug network from production point to consumer. In his 1985 Report to the UN ECOSOC Commission on Narcotic Drugs on "The Situation and Trends in Drug Abuse and the Illicit Traffic," (E/CN/1985/3 -Part one), the Secretary General spelled out the possible kinds of actions which could be taken for this purpose, as follows:

"In respect of bilateral, regional and interregional co-operation, many suggestions from Governments gave high priority to more widespread availability of rapid, secure and accurate means of communication. High priority was given to training of law enforcement officials by a number of Governments. Other suggestions addressed the need to expand the range of work against the illicit traffic to ensure that other major types of organized crime, closely connected with the illicit traffic, are concurrently investigated. Suggestions, as will be seen below, also included those which could, if accepted, restrict the ability of those engaged in the traffic to move freely between States.

- " (i) regional and inter-regional training seminars and workshops for drug law enforcement personnels should be made more widely and more frequently available;
- " (ii) international and intergovernmental organizations should promote more meetings to enable the authorities of States concerned to work together against the illicit traffic in major types or categories of drugs, e.g. cannabis, cocaine, etc.;
- "(iii) rapid, secure and direct means of communication should be provided so as to ensure the transmission of accurate information and to support closer co-operation between concerned drug law enforcement agencies, especially in Central and South America and the Caribbean, and in Africa;
- " (iv) Governments and concerned agencies should strive to maintain or strengthen close bilateral and multilateral co-operation against the international illicit traffic as provided for in the international drug control treaties;
- " (v) continued efforts should be made by the Governments of Member States, in co-operation with concerned international and intergovernmental organizations, to increase the rapidity, accuracy and completeness of exchanges of information and experience in respect of the illicit traffickers and suspect travellers between States;
- " (vi) co-ordinated action to curb the illicit traffic should extend to closer co-operation in countering other associated crimes, including the traffic in firearms and international terrorism;
- "(vii) permanent drug law enforcement liaison officers should be maintained by the Governments of concerned States in other States which are regarded as key points in the illicit traffic affecting both States;
- "(viii) controlled delivery as a drug law enforcement technique for improving co-ordinated international action against the illicit drug traffic should be encouraged;
- " (ix) drug seizures affecting more than one State should be consistently followed up by all concerned agencies in order to provide immediate operational feedback,

transmittal of evidence after the completion of investigations and by permitting personal attendance of officials from one State in the territory of another either as witnesses or experts in order to assist in identifying or prosecuting organizers of the drug traffic;

- " (x) bilateral border agreements should be regularly reviewed and strengthened;
- " (xi) bilateral agreements between States with common problems arising from the illicit traffic should be established and strengthened, if necessary under United Nations auspices;
- "(xii) the problems of States newly affected by transit traffic in drugs should continue to be the subject of special study in order to provide assistance in developing countermeasures to such traffic."

The scope of actions proposed provide a unique opportunity for cooperative inter-American efforts, in the context of a world-wide program coordinated by the United Nations and in support of immediate priority activities which could immediately benefit all of the members states. An inter-American mechanism which could serve as the nexus for such an undertaking could be the sine qua non for effective action.

3. The third range of measures are related to taking the profits out of illicit drugs. Enforcement measures obviously are aimed at this target, but they must give special emphasis to assisting governments to gain control over the illicit profits of drug traffickers and directing them to the development of the Hemisphere. What is proposed specifically is that inter-American norms be established for cooperation in identifying, controlling and taking legal action to seize all monies earned by traffickers in the illicit sale of narcotics, from farm site to consumer. A unique inter-American instrument might be devised for this purpose.

The importance and dimension of such action has been illustrated in Study N° 1 when it was pointed out that the Select Committee of the United States House of Representatives estimated that the illicit drug traffic in that country amounted to \$110 billion dollars in 1984. The profit for the drug trafficker can be gauged from the available prices for coca, coca paste and cocaine: \$1 of coca leaf become \$3 as coca paste and \$300 as cocaine. The drug traficker pockets the profits --all of them. They are exempt from taxes, laundered into investments for the additional advantage of the drug traffickers. If this windfall could be recovered and channeled into the development of the continent, all the member countries could benefit, especially the more underdeveloped member countries whose economies and societies have been so sorely distorted by the production, transit and/or consumption of drugs.

The UN Secretary General, in his afore-mentioned 1985 Report [U.N. Document E/CN.7/3 (Parte One)], also indicated the importance of such measures under the rubric "Forfeiture of the proceeds of drug crimes":

"A number of Governments continued to place high priority on measures which would facilitate the tracing, freezing and forfeiture of the proceeds of drug crimes and on the pursuit of other policies which would make known to the organizers of the illicit traffic that Governments were determined to take co-ordinated action to counter their illegal activities. Suggestions in this context includes the following:

(i) the attack on the financial assets of traffickers should be further strengthened and pursued, not only by the enactment of legislation but also by the development of mechanisms to gather criminal financial intelligence as a specialized endeavour.

(ii) existing national legislation relating to drug control and action against the illicit traffic should be studied to identify those provisions where harmonization or uniformity would be advantageous, especially in certain areas of significant drug-related legislation, including the tracing, freezing and forfeiture of the proceeds of drug crimes, as well as in respect of penalties."

Interpol presented to the 10th American Regional Conference of the International Criminal Police Organization (ICPO), held May 18-22, 1985, in Buenos Aires, a report from a working group it created in its 1984 meeting at Anguilla on model legislation to combat drug traffic. In the submission the draft was described as "providing the tools necessary to successfully investigate and prosecute those involved in money laundering as well as to provide the mechanisms to seize and ultimate cause the forfeiture of the proceeds of serious criminal activity, particularly drug trafficking." It further reported that "regarding the matters of currency reporting requirements, maintenance of audit trails, transportation of currency and travel documentation/identification of travelling drug traffickers, a further meeting to deal with these issues will be necessary."

What is clear is that there is a beginning of international and inter-American measures to take the profits out of drug trafficking. Concerted inter-American cooperation, under the aegis of appropriate inter-American machinery, could build on these efforts and provide the impetus for a sustained campaign coordinated with the world-wide activities of the United Nations and the efforts of each member country.

No aspect of the war on narcotic drugs is more important than reducing --and ultimately eliminating-- demand. As long as there is demand, some enterprising--but amoral-- person or entity will seek to supply it. The threat posed by narcotic drugs and psychotropic substances

to the physical and mental well-being of people has led the world community to create the juridical framework for controlling their production, processing, traffic and use. Massive illicit operations have been set into place which subvert this framework. These operations feed on and nurture the burgeoning demand, especially in the developed countries and among youth. That demand must be curtailed --perhaps as the number one priority of an inter-American crusade against drugs. The ingredients for such an undertaking have been described, and measures can be considered for broad new inter-American initiatives to bring this critical problem under control by the member states.

STUDY N° 3

Mechanisms for Inter-American Cooperation on Coca  
Production and on Reducing Demand for Cocaine

The mandate for this study comes from operative paragraph 4 of General Assembly Resolution AG/Res.699 (XIV-0/84) which instructs: "the Permanent Executive Committee of the Inter-American Economic and Social Council to submit, in consultation with other organs of the inter-American system, a study to the Specialized Conference that will identify socio-economic development alternatives to the problem created by elimination of surplus coca crops, propose measures to reduce demand, devise inter-American Cooperation mechanisms in this regard and urgently consider the establishment of a specialized regional fund to provide assistance to Member States affected by this problem."

This study deals specifically with the requirement to "devise inter-American cooperation mechanisms in this regard" and is designed to reflect the observations and conclusions of the preceding two Studies which deal with those aspects related to (1) the supply of coca and possible socio-economic alternatives for those producing coca in excess of that needed for licit purposes and (2) demand for coca and cocaine. These two studies have spelled out the gravity of the problem and the complexity of the issues involved in seeking efficacious solutions. They emphasize that there are no ready answers and that long-term efforts will be needed if the current cocaine crisis is to be overcome. They suggest that mechanisms for inter-American cooperation should be considered in the broadest context of the cocaine problem, not limited to production and demand. They point to the pivotal role of the drug trafficker who promotes and stimulates coca production, organizes and manages the wholesale processing of coca into cocaine and its shipment to world markets, promotes drug consumption and then supplies the illicit product. Hence, this study will consider appropriate mechanisms for inter-American cooperation in connection with all the component elements of the illicit coca-cocaine problem.

To facilitate the analysis by the Member States of appropriate inter-American mechanisms for cooperation, this study shall present:

First, a description of existing multilateral, world-wide, international institutions which deal with the problems of illicit drug cultivation, traffic and use, including cocaine.

Second, a description of existing multilateral and bilateral regional activities in the Western Hemisphere.

Third, an analysis of potential areas for inter-American cooperation to combat the illicit coca-cocaine problem.

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Fourth, an assessment of alternative mechanisms for inter-American cooperation in combatting the drug problem.

While this study is specifically geared to the cocaine problem as mandated by the General Assembly in Resolution AG/Res.699, most of the analysis is relevant to possible inter-American cooperation for dealing with other illicit narcotic and psychotropic drugs.



## Section I

### World-wide mechanisms for international cooperation in controlling narcotic drugs

International cooperation to control narcotic drugs began early in the Twentieth Century. In 1912, the first international convention on drugs, the International Opium Convention, was signed in The Hague. With the establishment of the League of Nations, control of opium production and traffic therein became one of its paramount activities; and, four additional conventions were signed between 1925 and 1931. In 1946, the United Nations Organization (U.N.) revived international drug control measures disrupted by World War II. Over the past forty years, the U.N. has been the primary international actor in this area.

The basic instrument for U.N. action is the Single Convention on Narcotic Drugs, adopted in 1961 and amended by the Protocol of 1972. It is the vehicle for world-wide multilateral action against illegal drugs and trafficking therein. It replaces all preceding international conventions, including the original 1912 Convention, those signed during the League of Nations era as well as U.N. agreements adopted prior to 1961. Many of these predecessor instruments which were contradictory, overlapping and in other ways defective were replaced by the coherent, integrated juridical framework provided by the 1961 Single Convention. It has been ratified by 25 member states of the OAS (Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad & Tobago, United States of America, Uruguay and Venezuela).

The Single Convention establishes international machinery for (1) identifying narcotic substances which require international control, (2) preparing annual estimates of licit demand for narcotic drugs for medical and scientific purposes and limiting the cultivation, production, manufacture and use of drugs to that amount needed for these licit purposes and ensuring their availability for such purposes and (3) preventing the illicit cultivation, production and manufacture of drugs and illicit traffic in and use of drugs. It deals explicitly with the special requirements of the three major plants from which narcotic drugs are derived: opium (Articles 23-25), coca (Articles 26-27) and cannabis (Article 28). In each case, it provides the framework for governments to control licit cultivation and to deal with the illegal. The Single Convention is the subject of the detailed analysis which has been prepared as part of the study of the draft convention presented by the Government of Venezuela, in accordance with the instructions of the General Assembly in operative paragraph 7 of Resolution AG/Res. 699.

However, for the purposes of this Study, there are several specific articles which are relevant to the analysis of possible mechanisms for inter-American cooperation, namely, those which call for inter-country cooperation and those which do not preclude complementary and supplementary action to achieve its goals. In Article 35, provision is made for cooperation among signatories and international organizations in the fight against narcotics and illicit drug traffic. Article 39 encourages party and non-party states to adopt additional stricter and more severe measures consistent with its terms and conditions, for the purpose of promoting compliance with its standards and procedures. Article 38 bis provides expressly for "agreements which contemplate the development of regional centres for scientific research and education to combat the problems resulting from the illicit use of and traffic in drugs".

For administering its provisions, the Single Convention establishes two mechanisms:

- a. The Commission on Narcotic Drugs of the United Nations Economic and Social Council (U.N./ECOSOC). It pre-dates the Single Convention, having been established in 1946 by the U.N./ECOSOC as one of its six functional commissions. United Nations Document A/39/646 of November 12, 1984 defines its functions as follows: "It is the central policy-making body of the U.N. system for dealing in depth with all questions related to drug abuse control. The conventions assign important functions to the Commission (Single Convention, Articles 5 and 8, and Psychotropic Convention, Article 17). Its decisions or recommendations are submitted to the Council for approval or modification, and through this channel give rise to decisions and resolutions in the General Assembly (Single Convention Article 7)... The Commission has recently been made responsible by the General Assembly for reviewing, monitoring and co-ordinating the implementation of the International Drug Abuse Control Strategy". The Commission which meets annually is currently made up of 40 member states of the U.N. that are elected for four year terms, with due regard to both adequate geographic representation and their importance in the production, manufacture, traffic and consumption of illicit drugs.
- b. The International Narcotics Board. It is the successor to drug control bodies originally established in the 1930's. The Board consists of 13 expert members who serve in their personal capacities. The Board is responsible for endeavoring "to limit the cultivation, production, manufacture and use of drugs to an adequate amount required for medical and scientific purposes" and "to ensure their availability for such purposes." In connection with these responsibilities, the aforementioned U.N.

document A/39/646 specifies: "To this end, the Board has been given the responsibility of administering a strict quota system for narcotic drugs and a mandatory estimate system, and of monitoring the detailed control requirements worldwide for the production, manufacture, export and import of drugs, with a view to preventing leakages from licit sources into illicit channels. In cases where the aims of the conventions are being seriously endangered, the Board may request explanations or propose consultations or remedial action or, if necessary, call the international community's attention, the Commission's and the Council's to the matter. The Board submits its annual report to the Council through the Commission, which may comment as it deems fit. The mandate of the INCB is derived from the Single Convention on Narcotic Drugs, 1954, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances.

"The Board only performs functions specifically assigned to it by these instruments, and it has an obligation to execute all of these functions. Its mandate has two basic characteristics: (i) complete dependence on the will of States as expressed collectively in the treaties and (ii) complete independence in the implementation of the treaties, towards each State considered individually. Since the Board has no legislative functions and acts exclusively on the basis of the Conventions, only a formal amendment to the Conventions can modify the functions of the INCB."

The Commission and the Board are supported by three units of the U.N. Secretariat: the Division of Narcotic Drugs (DND), the United Nations Fund for Drug Abuse Control (UNFDAC) and the International Narcotics Control Board Secretariat.

- a. The DND is the core professional mechanism of the U.N. on drug control. Its activities are described as follows in the aforementioned U.N. document A/39/646:

"DND is the central United Nations repository of professional and technical expertise in drug control. It performs executive, operational and administrative functions deriving from the existing international drug control agreements and from the specific mandates included in resolutions of the General Assembly, the Economic and Social Council and the Commission on Narcotic Drugs. Its principal functions may be summarized as follows:

"(a) Assists the Secretary-General to carry out his responsibilities under the drug control treaties. The Single Convention confers upon the Secretary-General two different

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types of functions: those relating to the implementation of the international control régime (control functions) and those of an 'archival' character, i.e. relating to signatures, ratifications, accessions, reservations, territorial application and amendments.

"(b) Serves as secretariat to the Commission on Narcotic Drugs. A significant amount of work is involved. For the Commission's thirtieth session, held in 1983, the Division prepared 32 pre-session documents, 40 in-session documents, and 106 background documents.

"(c) Serves as the main source, in collaboration with the specialized agencies concerned, of professional and technical advice on narcotic matters to the Executive Director of UNFODAC.

"(d) Executes projects both under regular budget and extra-budgetary financing. The General Assembly in its resolution 36/168 of 16 December 1981 adopted the International Drug Abuse Control Strategy and basic programme of action... The DND organizes training seminars and workshops at the regional level for drug law enforcement officers and officials involved in drug demand education, and arranges for fellowships as well as study tours for scientists and law enforcement personnel on the identification of drugs of abuse. The Division provides up-to-date training material to complement drug control programmes.

"(e) Discharges a clearing-house function, involving the collection and dissemination of information on developments in international drug control. The Division publishes a quarterly Bulletin on Narcotic Drugs, as well as an Information Letter on activities in the area of drug abuse control, which includes a system-wide calendar of forthcoming meetings.

"(f) Co-ordinates international efforts to control drug abuse. The Secretary-General's Bulletin on Organization of the Secretariat (ST/SGB/Organization, Section S, p.17, 6 August 1976) and the aide mémoire regarding the establishment of UNFODAC, provide, inter alia, that the DND (a) 'consults and collaborates with the secretariat of the International Narcotics Control Board and specialized agencies on matters of mutual concern', (b) 'co-ordinates, under the auspices of UNFODAC, the implementation of the projects that are not executed by the Division'."

The DND has encouraged and supports regional cooperation in the Middle East, Far East and Africa and has indicated the desirability of similar coordination of efforts in the Western

Hemisphere. Two geographic sub-groups have been created: (1) the Subcommittee for Illicit Drug Traffic and Related Matters for the Near and Middle East, and (2) the Operational Heads of National Narcotics Law Enforcement Agencies, Far East Region. DND has stressed the need for improved telecommunications in the various regions and encouraged the cooperation of the International Telecommunications Organization (ITO) in the improvement of such networks.

- b. UNFDAC was established in March 1971 by the U.N. General Assembly as a trust fund to act as banker, planner and evaluator of short and long-term projects for drug abuse control which require financial resources greater than those available in the regular U.N. budget. The aforementioned U.N. Document A/39/646 describes its functions as follows:

"UNFDAC was established in 1971 in order to assist in combating the production, trafficking and use of illicit drugs. The Fund is responsible for:

- developing short and long-term plans and programmes;
- selecting the appropriate executing agency or agencies;
- monitoring the implementation of these activities;
- evaluating their results;
- raising the money required to carry out the programmes."

Contributions to UNFDAC are voluntary, based on annual pledges by governments, non-governmental agencies and private organizations. UNFDAC finances (1) integrated rural development projects in countries which provide alternative sources of cash crops and income for farmers who cultivate opium poppies, marijuana (hashish) or coca leaves; (2) national programs for the treatment and rehabilitation of addicts; (3) national and multicountry seminars on the gamut of activities involved in drug abuse and illicit traffic in narcotics, from legislation to education; (4) training programs on a wide range of subjects from improved techniques for intercepting drugs to laboratory systems for chemists from developing countries; and, (5) research on the composition of narcotic drugs and development of suitable drug identification tests.

UNFDAC does not execute any of the projects it finances. Most are executed by various U.N. specialized organizations and other U.N. entities, especially the U.N. Division of Narcotic Drugs and the UNDP Office of Projects Execution. One of the

activities it supports is the courses on prevention and treatment of drug abuse conducted by the United Nations Latin American Institute for the Prevention of Crime and the Treatment of Offenders (ILANUD). ILANUD, which has functioned since 1975 under U.N. auspices in San José, Costa Rica, conducts a wide-ranging training, clearing-house, technical cooperation and research program on criminality, delinquency, judicial systems, prison administration and reform, crime prevention and rehabilitation. Obviously, in the contemporary world, drugs and drug-related crime are a significant element of ILANUD's concerns.

- c. The Secretariat of the International Narcotic Board. This specialized unit provides the staff services required by the Board in carrying out its mandate under the Single Convention. The aforementioned U.N. Document A/59/646 defines these services as: "inter-alia, (a) provides secretariat services required by the Board on the performance of its functions under the international drug control treaties, and carries out, between the Board's sessions, decisions and policies decided upon by the Board; (b) advises governments on technical questions of treaty implementation; (c) represents the Board at meetings of competent U.N. organs (ECOSOC, CND), specialized agencies and international, regional and intergovernmental bodies." This Secretariat prepares annual publications on world requirements of narcotic drugs and statistics on psychotropic substances. It has also conducted training seminars in regions most affected by drug abuse.

The work of these three units has been coordinated since May 1984 by the Under-Secretary-General of the United Nations for Political and General Assembly Affairs. This action was taken to improve coordination within the U.N. system and to allow the U.N. to take more positive actions on drug abuse control.

In the world-wide bodies, heroin has been the principal object of concern until the 1980's. In recent years, increasing attention is being given to the coca/cocaine problem as reflected by the 1984 Report of the United Nations Fund for Drug Abuse Control (Doc. E/CN.7/1985/12 of 13 December 1984):

- "4. Before describing the activities accomplished by UNFDAC, it seems opportune to draw the attention of the Commission on Narcotic Drugs to the fact that the period under consideration has been characterized by a special effort addressed to Latin America, particularly to the countries of the Andean Subregion. The new programmes for this region did not occur at the expense of other assistance-receiving countries, where pre-existing UNFDAC projects have been continued, and sometimes strengthened to a greater degree.

- "5. The large-scale activities planned and designed for combatting the cocaine spread at its source were long overdue. The international community has become increasingly aware of the magnitude of this problem and of the tremendous impact that cocaine traffic is having in producing countries, whose economic, social and political structures are dramatically challenged by pervasive criminal counterpowers, thriving on this deadly business. At the same time, many other countries have been experiencing the tragic consequences of this epidemic, which is progressively spreading its devastating effects in their domestic territories, at all levels of society, and especially among the youth with thousand of lives impaired or lost. However, the gravity and implications of these issues have been fully realized only very recently as the urgency for remedial measures and the concerted determination for strengthened international action.
- "6. "UNFDAC has strongly reacted to a diffused scepticism about the feasibility of conducting effective programmes in the Andean Subregion. In spite of the seriousness of the problem, the prevailing circumstances at present offer promising aspects for a successful fight against drug abuse and traffic. Recent developments in Bolivia, Colombia and Peru - where UNFDAC programmes are entering the operational phase - are showing that the overall situation, even if still highly delicate, is nevertheless favorable to the implementation of programmes aimed at reducing and eliminating the impact of illicit coca cultivation, traffic and abuse. An increased and active presence of multilateral assistance for fighting narcotic drugs in these areas will contribute to reinforcing their honest and untarnished forces and giving their duly-constituted democratic authorities the necessary support in re-establishing and observing the rule of law in the struggle against illicit drugs.
- "7. The "Quito" and the "New York" declarations, the new resolutions of the Organization of American States, the initiatives and resolutions of the last session of the General Assembly and the different manifestations of a decisive willingness to establish appropriate measures constitute an unequivocal demonstration that at present there is a convergence of many positive factors which never existed in the past. This opportunity makes it mandatory that the international community join its efforts with the view to giving substance in a tangible way to its verbal expressions of solidarity, so as to translate them into practical action".

In addition to these mechanisms which deal exclusively with the problems of illegal narcotic drugs and psychotropic substances, the following international organizations are also engaged in dealing with specific aspects of the problem:

- The World Health Organization (WHO) is the technical adviser to the International Narcotics Board on narcotic drugs and psychotropic substances. In the aforementioned U.N. Document A/39/646, the WHO role is described as follows:

"The Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, 1971, assigned specific responsibilities to WHO in respect of changes in the control of substances and their scheduling for control purposes. WHO has to assess the dependence liability and therapeutic usefulness of each substance and, after evaluating any public health and social problems related to its abuse, to make a recommendation to the Commission on Narcotic Drugs for its control. WHO's recommendations are determinative as far as medical and scientific evidence is concerned. Altogether, WHO has submitted to the Commission eighty recommendations on drugs and psychotropic substances, seventy-six of which have been accepted. In 1984 alone, upon the recommendation of WHO, the Commission placed thirty-five additional substances under control...

"WHO is the only specialized agency with a specific programme ('prevention and control of alcohol and drug abuse') and full-time staff allocated to addiction problems: the programme comes under the general framework of WHO's major programme on Protection and Promotion of Mental Health. The programme both seeks to develop methods of combating drug dependence and collaborates directly with individual countries in their efforts against it. It involves a variety of disciplines including public health, psychiatry, sociology and psycho-pharmacology, and it draws heavily on the expertise available in the different parts of the Organization".

- The International Labor Organization (ILO) is concerned about the impact of drugs on occupational safety and health as well as the vocational rehabilitation of former drug addicts. The ILO provides technical assistance to member countries and conducts seminars and training courses. In 1983, it organized the first Latin American Seminar on Vocational Rehabilitation and Social Reintegration of Drug-dependent Persons held in Costa Rica.
- Food and Agricultural Organization (FAO). FAO provides the agricultural inputs for UNFDAC financed multidisciplinary projects in Burma and Pakistan. Under its regular budget, FAO has no other drug abuse control activities.
- United Nations Educational, Scientific and Cultural Organization (UNESCO). UNESCO has a modest program (\$66,000 in 1984-1985) for projects in preventive education and public information on drugs.



- The Customs Cooperation Council (CCC) gives special attention to measures required to combat smuggling of narcotic drugs and psychotropic substances. Headquartered in Brussels and made up of 95 member states, it establishes norms for identifying such illegal products, conducts seminars and training programs, and prepares manuals and catalogues for dealing with drug trafficking.
- The International Criminal Police Organization (INTERPOL) has a special section which deals with illicit drugs and drug trafficking. For the last ten years, INTERPOL has held an annual regional conference in the Western Hemisphere on law enforcement, which includes matters related to drugs. It also provides technical assistance for the police; at present, it has an official assigned to South America on the drug problem. INTERPOL is currently studying the possibility of assigning a second agent to the area to improve coordination against drug trafficking.
- Universal Postal Union (UPU). It has recently become involved in the drug problem because of the need to interdict smuggling of drugs through post office mail.
- The International Council on Alcohol and Addictions (ICAA) advises the United Nations Economic and Social Council and the WHO on the drug addiction and alcoholism. Founded in 1907 the Council is headquartered in Lausanne, Switzerland, and has affiliates in more than 70 countries. It undertakes studies of the causes and effects of addiction and alcoholism, promotes prevention and rehabilitation, publicizes the perils of drug and alcohol use, and sponsors seminars and training programs. It is now conducting a major study, financed in part by UNFDAC, on programs to reduce the demand for drugs.

## Section II

### Current Western Hemisphere Mechanisms for Cooperation in Controlling Narcotic Drugs

Unlike the United Nations Organization, the Inter-American System has no established institutional framework for dealing with the problem of narcotics or illegal drug traffic in the Western Hemisphere. Activities to date by the Organization of American States and its Specialized Agencies have been occasional and ad-hoc.

In the 1980's, the increasing gravity of the drug problem in many of the OAS Member States has triggered ever greater concern, beginning with the creation in 1982 of the Working Group on Drug Traffic by the General Committee of the Permanent Council. Some of the activities undertaken by the Organization and its Specialized Agencies include:

- The Inter-American Commission for Women (CIM), with extra-budgetary funds provided by the Agency for International Development of the Government of United States of America (AID), has developed community level projects in the Yungas of Bolivia to develop, especially through women's groups, alternative sources of income. One of its subsidiary results, it is hoped, will be the gradual reduction of coca production in this zone.
- The Pan American Health Organization (PAHO), which is the Regional Office of the World Health Organization for the Western Hemisphere, is developing the framework for undertaking systematic epidemiological studies of the causes of drug addiction in Latin America and the Caribbean and has conducted drug treatment programs, with UNFPA financing, in Bolivia, Colombia, Ecuador and Peru as well as an analysis of the drug abuse problem in Paraguay.
- The Inter-American Institute for Cooperation in Agriculture (IICA) in 1984-1985 has been preparing plans for the integrated development of the eastern piedmont of the Andes in order to help orient and support programs aimed at substituting coca cultivation with other crops.
- The Inter-American Children's Institute (IIN) has been committed since 1980 to combatting the use of narcotic drugs by the children and adolescents of Latin America and the Caribbean. It has conducted studies of drug abuse by minors in several countries. The OAS General Assembly in its Resolution AG/Res. 550 (11/81) of 1981 designated the IIN as the inter-American agency for research and action to combat drug use among children and adolescents.

- The Executive Secretariat for Education, Science and Cultural Affairs of the General Secretariat (CIECC) began a survey in 1984 of the drug addiction problem in the member countries and of efforts to educate through the school systems about the perils of narcotics.
- The Subsecretariat for Legal Affairs of the General Secretariat has periodically analyzed international instruments on narcotic drugs and drug traffic control.
- The Executive Secretariat for Economic and Social Affairs has no specific expertise on drug traffic matters. Prior to the mandate of the General Assembly to undertake the studies called for in Resolution RES/AG 699 (XIV-0/84), its only experience with the drug problem was in connection with integrated regional development plans for areas in the Amazon Basin and Andean Region where coca is cultivated and blueprints for development required consideration of coca cultivation as part of overall forward planning.

The South American Accord on Narcotic and Psychotropic Drugs (ASEP) is the only formal multilateral instrument in force in the Western Hemisphere. The Accord was signed on April 27, 1973 by ten countries: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela. The Accord establishes the principles and objectives for long-term cooperation by the parties to control the legal movement of narcotics, to inhibit illegal traffic, to treat and discourage drug abuse and to harmonize the pertinent legislation in the signatory states. Under the Accord, there is an annual conference in which measures for cooperative action to combat all aspects of the drug problem are considered and adopted. The Permanent Secretariat is based in Buenos Aires and services the member states on the matters covered by the Accord. Five technical commissions have been set up to study and make recommendations to the parties on legislation, repression of illegal traffic, control of legal traffic, preventive education and treatment and rehabilitation. ASEP has also established four regional centers in South America which provide training and assistance for member states: (1) the Regional Training Center on Drug Treatment and Reeducation of Users in Buenos Aires; (2) the Regional Center for Training Instructors for Control of Illicit Drug Traffic in Lima; (3) the Regional Center for In-Service Training for Education on Drug Prevention in Caracas; and (4) the Documentation Center on Drug-dependence in Buenos Aires. Discussions are currently under way with the Government of Brazil about the creation of a fifth center in Brasilia for training customs agents on drug traffic control standards and procedures. It also maintains close working relations with the U.N. entities responsible for combatting drug abuse and, whenever possible, coordinates activities with them, especially on educational activities. Under the Accord, training has been provided for instructors of national programs to combat drug abuse and illicit traffic in narcotics.

In addition to the Accord, there are a number of less informal instruments and mechanisms for bilateral and multicountry cooperation and coordination. One of such instrument is the International Drug Enforcement Conference (IDEC). Created in 1983 at the initiative of the National Guard of Panama and the Drug Enforcement Administration (DEA) of the United States, it provides the setting for an annual meeting of directors of drug enforcement agencies of Latin America, the Caribbean and the United States to share experiences, review developments and analyze strategies, policies and activities related to drug enforcement efforts.

There are also bilateral agreements between and among Western Hemisphere member governments for cooperation and coordination on various aspects of the drug problem. Several agreements have been signed between the United States and individual Latin American and Caribbean countries for economic and technical assistance on law enforcement, crop substitution, drug treatment and public information to discourage the use of narcotic drugs and psychotropic substances. Many Latin American Governments, including Brazil, Colombia and Venezuela, have made bilateral accords with neighboring states to coordinate action against traffic in illicit drugs.

Section III

Potential Areas for Inter-American Cooperation to  
Combat Cocaine Traffic

Despite these current international multilateral and bilateral efforts and the measures taken by Member States to control illicit drug production, processing and traffic, the cocaine problem specifically and drugs in general has grown exponentially over the past decade. As spelled out in the preceding two studies on supply and crop substitution and on control of demand, the coca/cocaine problem is a complex chain of integrated actions managed by the drug traffickers from farm site to consumer. The evidence in both these studies suggests that, to achieve the objectives set by the General Assembly in Resolution AG/Res. 699, a broad range of measures are needed to attack all the links of the chain. To counter the political, economic and social threat posed to the member countries by this multibillion dollar, multicountry illicit operation and to bring it progressively under the control of the member states, coordinated and sustained actions are required to control production, to intercept the flow of drugs and to discourage demand.

To facilitate the consideration by the member states of the range of possible actions which might lend themselves to inter-American cooperation in this connection, the following analysis has been made of the cocaine chain from producer to end user. For this analysis, the chain has been divided into five segments. Under each segment, specific suggestions are presented of possible cooperative action to combat the coca/cocaine problem. Each suggestion is illustrative and can certainly be adapted as circumstances dictate. All or none may be useful to the Organization in implementing Resolution 699, but they do indicate the depth and variety of alternatives available to the Member States if they opt for inter-American cooperation as a viable vehicle for overcoming "the white plague". While this analysis relates specifically to coca/cocaine, it is equally relevant to other narcotic drugs and psychotropic substances.

The five segment in the cocaine chain, for the purposes of this study, are:

1. Production of coca.
2. Processing of coca into cocaine.
3. Illicit marketing of coca/cocaine.
4. Coca paste/cocaine consumption.
5. Laundering of illicit profits.

1. Production of coca. The first segment of the system deals exclusively with the production of the coca plant. As spelled out in Study N° 1, the coca plant is readily adaptable and is cultivated in various ecological zones of the Amazon Basin and surrounding Andean highlands. The growing zone transcends national borders and traditional cultivation sites. It raises the specter of having efforts to restrict production in one country offset by illicit efforts by the drug traffickers to subsidize new clandestine cultivation in other countries. Coordinated, mutually supportive efforts by all affected countries to restrict production may well be one of the most critical elements of a truly effective crop substitution or coca suppression campaign.

-- The first possible area for inter-American cooperation might be the design and implementation of viable crop substitution projects. As the analysis in Study N° 1 demonstrates, there are substantial economic, income and marketing advantages to the production of coca over almost every other agricultural crop. Hence, crop substitution to have a reasonable chance for success must be in the context of the triad of development, enforcement and information activities. Within the development rubric, the focus should be on generating comparable income from alternative sources. These are complex, expensive and long-range programs. However, experience to date suggests that only in such a context can there be a reasonable expectation of reducing substantially and definitively coca production.

-- A major impediment to crop substitution programs is the absence of markets for the new products. If machinery could be set in place which promotes the sale of replacement crops and assures an adequate income for the farmers affected, then the introduction and success of crop substitution schemes could be substantially enhanced. Hence, an area of possible inter-American cooperation might be trade agreements and related arrangements which give some form of priority treatment to marketing in the member countries of produce cultivated in lieu of plants from which illegal narcotics are derived.

-- Not all coca production is for illicit purposes. Under the Single Convention, the Narcotics Control Board sets annual limits for licit production for health and scientific purposes. Hence, another possible area of inter-American cooperation might be assistance to all member states in installing and applying standards and procedures for licensing, controlling, and selling licit coca production. The U.N. has defined a body of regulations and procedures,

and the OAS might provide the vehicle for assisting member governments to (1) strengthen their domestic institutions, (2) harmonize national policies and practices so that they are compatible with each other and consistent with international norms and (3) facilitate the effective application of national laws against drug use and illicit traffic in narcotic and psychotropic drugs.

2. Processing of coca into coca paste and cocaine. This segment deals with the transformation of the coca leaf into illicit narcotics. The following are suggestions for possible cooperative inter-American actions to control illicit processing:

-- In order to administer effectively the norms and procedures established by the U.N. Narcotics Control Board to limit processing of cocaine to licit limits needed for medical and scientific purposes, there should be effective national systems for controlling the illegal processing of coca leaves. An important element in this connection should be controls over the entry into countries and use therein of ether, sulphuric acid, kerosene and other chemicals required for the conversion of coca into paste and cocaine hydrochloride. Much of the ether and sulphuric acid used in the countries which process coca into cocaine comes from another country; and, perhaps inter-American standards and procedures might be devised to protect all member countries from the diversion of these legitimate chemicals into illicit drug processing.

-- The International Narcotics Board establishes standards and procedures for licensing in-country plants for processing coca leaves into licit cocaine for medical, scientific and other legitimate purposes. Inter-American cooperation might include assistance in standardizing national legislation, establishing compatible controls and inspection systems and developing training facilities for national technicians in order to insure full and prompt compliance with international norms.

-- A third possible area of inter-American cooperation might be to help finance research on additional possible licit uses of coca.

3. Illicit marketing of cocaine. This is perhaps the most complex and potentially dangerous segment of the cocaine chain since it directly confronts the network of illicit operations from the purchase of coca, its processing and then movement into the various markets of the world. Possible areas for inter-American cooperation to deal with this segment might include:

- A regional information network through which all current and background information on illicit marketing of cocaine could be consolidated, including the identification of major drug traffickers, location of illicit cultivation areas and processing plants, trade routes, smuggling practices, and other operational details of the drug trade. In addition, studies of salient aspects of the problem could be underwritten on a continuing basis, in order to insure that enforcement officials in member countries had the best available analysis at their disposal in combatting the traffickers.
- Technical assistance on the analysis and preparation of appropriate legislation consistent with international norms established under the Single Convention for (1) upgrading the capability of member countries to deal with the drug problem, (2) harmonizing laws of member countries including definitions and penalties for criminal offenses, (3) promoting expeditious and compatible police and judicial practices for processing drug traffickers, and (4) facilitating their extradition. In this connection, inter-American analyses and recommendations could be coordinated with those prepared by U.N., ASEP and other multilateral bodies.
- The promotion of an inter-American system for improved coordination and cooperation among police and other law enforcement groups --including, among other efforts, joint training programs, exchange of officers between and among countries and a civil aviation radar system covering the principal drug traffic routes. Such an inter-American activity could become the framework for systematizing and extending to all Member States much of the current bilateral activity in this connection.

4. Coca Paste/Cocaine Consumption. This segment covers all aspects of the demand for cocaine in the markets of the Hemisphere, with special attention on the United States where most of the illicit profits are generated from over 4,000,000 users. Inter-American cooperation to deal with this segment might include:

- Programs to discourage the use of drugs, including: research on drug use throughout the Hemisphere, identification of vulnerable social groups, seminars for operators of national drug prevention and treatment programs, dissemination of information on the effects of drug use, identification and recognition of successful programs, and training programs for personnel engaged in preventive education, treatment, after-care and social



rehabilitation of drug users. Special attention could be given to educating children and adolescents to the "white plague" and to carrying out anti-drug programs in the school systems, churches and civic organizations of all member countries.

- The organization of a hemisphere-wide long-term campaign to prevent drug use, through all media forms but especially TV and radio. In this connection, OAS public affairs facilities could be used as a clearing-house for film strips, pamphlets and other materials which, if found useful, could be translated and reproduced into the four OAS official languages for use throughout the Hemisphere.

5. Laundering of illicit monies. This is another complex and critical phase of the cocaine chain, for it involves taking the profits out of the hands of the drug traffickers and restoring them to the control and use of the member governments. What the inter-American community might consider in this connection could include:

- Studies of national banking laws and the design of model bank secrecy acts to minimize the possibility that banks and financial institutions in member countries could be used for laundering operations.
- Seminars and training programs for bank officers and public officials to assist them to identify laundering operations and to inform them of successful procedures for preventing such operations.
- The development of special inter-American information exchange machinery on drug-related transactions which could facilitate tracing of illegal funds emanating from drug trafficking and their possible confiscation, with agreed upon shares of such confiscated monies prorated among cooperating governments.
- Research into and publications on techniques for laundering funds, so that officials of member countries can be kept up-to-date on developments and have access to the latest information on the machinations of the drug traffickers.

The specific suggestions of areas which the member governments might consider appropriate for inter-American cooperation are presented as illustrations of possible activities and are by no means exhaustive. In each of the five segments of the coca/cocaine chain considered above, the suggested activities range from research to technical assistance, from the definition

of compatible and consistent juridical norms to clearing-house functions which could well entail the operation by the OAS of a hemispheric network supported by sophisticated, state-of-the-art equipment. All are relevant areas of action in which inter-American cooperative efforts could contribute significantly to achieving the objectives pursued by the General Assembly in Resolution AG/Res. 699.

Section IV

Possible Inter-American Mechanisms for Cooperation to  
Combat Illicit Cocaine Traffic

To combat the cocaine problem and to deal efficaciously with its various segments, the Charter of the Organization offers a variety of mechanisms for inter-American cooperation. It is the prerogative of the Member States to select the vehicle which they deem most appropriate for this purpose. It is suggested that the Member States consider the following factors in assessing possible options:

- The complexity and gravity of the problem as described in Studies No.1 and 2, and reiterated in the preceding section of this Study, underline the need for a comprehensive, sustained response by the inter-American community.
- The interdependence of all segments of the coca/cocaine chain, from supply to demand, call for coordinated multilateral actions to deal with the drug traffic.
- The power and resources available to purveyors and managers of this illicit underground economy transcend the normal dimensions of international organized crime as reflected in the rationale set forth by the General Assembly in Resolution AG/Res. 699. They pose an immediate threat to the political, economic and social system of many Member States.
- The Organization is not the only international agency concerned with the problem. The United Nations has established world-wide machinery and 25 member states of the OAS are signatories of the Single Convention on Narcotics. While the drug problem has a major incidence on the well-being of the people of this Hemisphere, it has world-wide implications. Coca is a unique Western Hemisphere product, but traffic in coca paste/cocaine is now universal and the problem of addiction is growing in the developed and developing world. Concern over the problem is real, and that is reflected by the measures now being taken by member governments to interdict the supply and by several First Ladies of our member countries to dramatize the dangers of drug use.
- Experience has shown that even with comprehensive efforts by the U.N. and Member States, the problem has grown significantly in recent years. The demand for coca paste/cocaine, and other narcotic drugs and psychotropic substances in the United States, Europe and Latin America

is strong. Acreage under cultivation for coca and other drugs continues to increase. No easy solutions have been found for substituting crops for coca, curtailing the processing, interdicting the traffic or cutting back on demand. Long-term, sustained efforts are needed if there is to be a reasonable expectation that this problem is to be brought under control.

Taking into account these factors, the Member States under the OAS Charter can select from a number of options to express their determination to deal with the "white plague." The following are presented for consideration:

1. The establishment of a unit within the General Secretariat to follow the subject matter and maintain liaison with the U.N. bodies (1) to insure full information for the OAS Member States of actions by the world-wide bodies and (2) to facilitate consideration of regional inter-American concerns by the U.N. However, the OAS would not develop its own operational programs but work through the United Nations agencies already operating in this field, as described in the Section I of this Study. The OAS could continue to follow and monitor the subject matter through its political bodies and establish appropriate channels, through the member states and/or through the General Secretariat, to transmit their concerns and recommendations to the U.N. agencies.
2. The development within the General Secretariat of a comprehensive OAS program for the Western Hemisphere capable of dealing coherently and progressively with all or selected phases of the cocaine and drug problem. Under this option, the OAS might consider the establishment of an Inter-American Commission on Drug Traffic, made up of distinguished experts elected by the Member States similarly to those chosen for the Inter-American Commission on Human Rights. The General Assembly could define its terms of reference and provide it with the necessary mandate for initiating operations as soon as the General Assembly deemed it appropriate. In considering this option, the Member States could define the institutional and functional relationship they believe desirable between a regional Commission and the world-wide U.N. agencies.
3. The creation of a Specialized Organization under Article 130 of the Charter which would be entrusted with the responsibility of developing a comprehensive program for the Hemisphere, perhaps with similar characteristics to the Pan American Health Organization insofar as its relations

with the U.N. drug agencies, that is, to become their regional arm for the Western Hemisphere.

4. The establishment of limited activities by the OAS to deal with specific problems related to cocaine or other drugs, such as:
  - an Inter-American Training Center for public officials on the broad range of drug-related issues from crop substitution to enforcement, from legislation to drug treatment.
  - an inter-American clearing-house on drug traffic which could link the drug enforcement agencies throughout the continent in an effective telecommunications network to facilitate the interception of drugs moving from one country to another and the disruption of the illicit drug businesses.
  - an Inter-American Interpol for Drug Traffic Control designed to coordinate police and other drug enforcement actions throughout the continent.
5. The development of specific activities on aspects of the coca/cocaine and other drug problems within existing programs of the OAS. Under this option, the General Secretariat, specialized organizations and the specialized conferences would be instructed by the General Assembly to develop appropriate lines of action in their biennial Program-Budget to deal with relevant aspects of the drug problem. Such activities and their impact could be the subject of a special biennial report by the Secretary General or presented in a special chapter of the Program-Budget for ready identification by the political bodies.
6. The creation of an Inter-American Fund. This Fund would be established for the specific purpose of providing additional, emergency resources to those countries which must develop economic alternatives to coca cultivation or upgrade their capability to stop the processing of coca leaf and the traffic in cocaine. This Fund would supplement UNFDAC and bilateral assistance programs and be coordinated insofar as possible with related programs financed from these sources. Further analysis of this option appears in Study 4 which deals exclusively with the possibilities of creating a special OAS fund, as requested by the General Assembly in OAS Resolution AG/Res. 699.

The appropriate OAS mechanism depends on the option selected by the member states. There is an adequate range of alternative structures and regimes under the OAS charter to accommodate whichever of the options is deemed most desirable by member states.

STUDY N° 4

Creation of an Inter-American Fund

The General Assembly in Resolution AG/RES. 699 (XIV-0/84) in operative paragraph 4, instructed "the Permanent Executive Committee of the Inter-American Economic and Social Council (CIES) to submit, in consultation with other organs of the inter-American system, a study to the Specialized Conference that will identify socioeconomic alternatives to the problem created by the elimination of surplus coca crops, propose measures to reduce demand, devise inter-American cooperation mechanisms in this regard and urgently consider the establishment of a specialized regional fund to provide assistance to the member states affected by this problem."

The mandate gives special importance to the consideration of a specialized regional fund when it calls for urgent attention. To deal with the drug problem, as spelled out in the preceding three Studies, from cultivation to the laundering of illicit proceeds, has placed a heavy additional burden on the limited tax revenues available to the affected member states. In addition, the illicit narcotics operations in several member countries have created an underground economy which seriously impedes and effectively challenges the legal economic system. Law enforcement against the well-equipped drug traffic networks requires new and sophisticated equipment in the hands of the police as well as inter-country coordination of efforts if the drug trade is to be effectively interdicted. Extensive public information efforts to combat drug use and programs to treat drug addicts are further additional burdens on countries beset by massive debt burdens and popular demands for new funding to accelerate development and unmet social needs. To deal with the challenges posed by the drug traffickers to the stability of the societies, governments must create alternative sources of income and employment to displace cultivation of coca, marijuana and other drugs. All of these efforts require new initiatives, new approaches and large-scale investments, over a considerable period of time.

The significance of these factors is reflected in the Declaration of Quito of August 11, 1984 by the Presidents of several member states, in which paragraph 10 (B) proposed:

"that an international or regional fund should be established to provide assistance to developing countries affected by traffic in narcotic drugs with a view to combatting and remedying the causes underlying those circumstances and providing them with suitable instruments for the control of such unlawful activities."

Following the Declaration of Quito, on August 30, 1984, the Government of Venezuela proposed to the member states of the Organization that they consider adopting an inter-American convention to combat traffic

in narcotic drugs and psychotropic substances. Article 12 of that proposed convention specifically calls for the creation of a Fund:

"A fund is hereby created to provide assistance to the developing countries affected by the illegal traffic in narcotic and psychotropic drugs in order to combat and overcome the underlying causes of the situation and equip them with the tools they need to fight such illegal practices. The fund will be made up of contributions received from the states party to the present Convention which will be computed on the bases of the mechanisms used by the United Nations, and of voluntary contributions".

On September 18, 1984, the Government of Colombia proposed to the member states that a special fund be set up by the Organization to assist countries afflicted by illicit traffic in narcotic drugs. Based on these initiatives of the Governments of Colombia and Venezuela, the General Assembly included the stipulation contained in AG/Res. 699, for this study on the feasibility of creating an inter-American fund.

To facilitate the analysis required in connection with the consideration of such a fund, this study will (1) describe the currently available sources of international funding and (2) analyze the bases for a regional fund.



## Section I

### Current Sources of Financing Cocaine Control Programs

In accordance with the mandate of the General Assembly, this paper addresses specifically the issues related to the feasibility of creating a regional fund to assist developing countries affected by the coca production and illicit cocaine traffic. There is no multilateral fund, established internationally, hemispherically or regionally, which deals exclusively with coca and cocaine. However, there is one world-wide fund created in the U.N. system which makes grants to member countries to help them finance specific actions emanating from drug-related problems; this is the United Nations Fund for Drug Abuse Control (UNFDAC).

Created in 1971 by the U.N. Secretary General, it was authorized by U.N. General Assembly Resolution 2719 (XXV) and U.N. ECOSOC Resolution 1559 (XLIX) of 1970. UNFDAC was established to assist developing countries to comply with their obligations under the Single Convention on Narcotic Drugs. UNFDAC is the recognition by the U.N. member states of the special needs of developing countries afflicted by the drug problem. It provides the vehicle for channeling external support to them in supplementing and reinforcing their efforts to reduce production of crops from which drugs are derived, inhibit drug traffic and discourage drug use. The creation of UNFDAC is the recognition by the international community that the drug problem does, indeed, place special burdens on affected developing countries which further unbalance their capacity to finance development and which require additional external support beyond that normally provided by traditional development assistance and financial institutions.

UNFDAC is financed entirely by voluntary contributions. Its funds primarily are provided by the developed countries, although Brazil, Chile, Jamaica and Panama are among the OAS member countries which made pledges to UNFDAC in 1984. About \$130,000,000 has been contributed or pledged to UNFDAC since its creation.

UNFDAC administers an integrated program of assistance aimed at helping member states combat the full gamut of activities related to the production, traffic in and use of illicit narcotic drugs and psychotropic substances. The Fund provides technical assistance in the diagnosis of problems, design and implementation of programs, monitoring of progress and evaluation of results. It covers all segments of the drug chain, including:

- integrated rural development projects whose objective is to develop alternative sources of income for farmers who grow crops from which drugs are derived;
- enforcement of anti-drug legislation;

- education against drug use;
- drug addiction treatment and rehabilitation; and
- research and investigation.

Since its inception, UNFDAC has funded projects in some 30 countries. In 1984, it funded 37 projects in 22 countries, including eight in seven OAS member countries: Bolivia, Brazil, Colombia, Ecuador, Jamaica, Paraguay and Peru. A description of these activities is contained in Annex 1.

Initially the primary emphasis of UNFDAC was to combat opium and its morphine and heroin derivatives. In recent years, it has begun developing major programs aimed at the problems posed by the cultivation of coca and illicit traffic in and use of cocaine.

UNFDAC has been refining its strategy over the years and in 1982 developed a long-range planning approach called the Masterplan Concept, which it defines in the following terms:

"For various reasons, and first of all because the dynamics of drug production, trafficking and use transcends national boundaries, multilateralism is indispensable in the field of drug abuse control. To fight this kind of transnational phenomena, effective counter-measures involving a system of international co-operation are required. Through UNFDAC, it has been possible to attract and utilize funds from a number of donor Governments to finance major narcotics control programmes within a specific country or area. Experience has also shown that UNFDAC-financed activities in several countries have had a much greater impact than that which might be expected from the amount of money involved. In fact, UNFDAC's involvement has had a catalytic effect that has helped to mobilize national resources, to focus the attention of the national authorities on drug abuse control activities and, thereby, to raise the priority accorded to these operations.

"As a result of the review made by UNFDAC of its functions and operations, the Fund has initiated a new, more comprehensive and long-range planning approach called the Masterplan Concept. This concept, which is well-known in other fields, represents a special application of the knowledge gained in other areas to the drug abuse control issue. A masterplan is based on the following steps:

- "A thorough analysis of the drug problems within the country or region;

-- "Identification and assessment of all of the narcotics control activities - whether funded by national, bilateral or multilateral resources - that are already accomplished, underway or planned;

-- "Identification of the projects to be undertaken.

"In its role as a channel for funding drug abuse control activities, UNFDAC then provides countries with the masterplan which incorporates information on needs and priorities and an exhaustive cluster of project profiles, thus allowing them to select the countries and the types of interventions they may wish to support. UNFDAC also maintains continuous communication with both the countries that offer assistance and those that receive it in order to ensure that once a specific area of intervention has been selected within the context of the masterplan, the detailed design of projects is acceptable to both and meets their needs. UNFDAC feels that the operation is a technical and political exercise to be conducted under the aegis of the United Nations, with the complete involvement of both the countries concerned.

"In line with its responsibility for responding to Governments' requests for assistance in dealing with drug abuse control problems, UNFDAC strongly encourages Governments to develop masterplans. Working with the national offices responsible for narcotics control, UNFDAC is already providing assistance in developing masterplans for Thailand, Pakistan and the Andean subregion.

"Following the formulation of a Masterplan for the Andean subregion, UNFDAC is now in the process of preparing a cluster of projects which will cover the overall needs for fighting the illicit production of coca leaves. The plans are well advanced in Bolivia, they are in progress in Peru, while contacts have been initiated with the relevant Colombian authorities for the structuring of a programme responsive to the local problems. A technical mission, composed of qualified experts, has visited the three countries in March/April 1984, and has identified the operational patterns for conducting the various interventions. In addition to other pledges, a Government has made a commitment to UNFDAC for US\$41 million, primarily for activities in the Andean subregion.

"The Masterplan for Pakistan - know as the Special Development and Enforcement Plan - was discussed in April 1984 during an IBRD Consortium meeting on Pakistan and resulted in additional pledges to UNFDAC in the amount of US\$11.5 million.

"The Masterplan for Thailand is also in an advanced stage of elaboration".

The other major source of significant external funding of efforts by developing countries to deal with the problems caused by drugs has been the bilateral technical and economic assistance programs of the Government of the United States. Its Agency for International Development (AID) has provided multimillion dollar loans and grants to selected countries in Southeast Asia, the Middle East and Latin America for crop substitution and other projects. The International Narcotics Control Program administered by the Bureau of International Narcotics Matters, Department of State, provides support for multilateral and bilateral efforts to interdict the flow of narcotics drugs into the United States. For this purpose, this State Department program makes grants to international organizations and cooperating countries for equipment, training, technical assistance and other support for law enforcement, production controls, reduction of demand and related activities. In 1984, the assistance program amounted to \$101,590,000, of which \$22,385,000 was provided to Bolivia, Colombia, Ecuador, Mexico and Peru.

It should also be pointed out that many of the project loans by the multilateral development banks, particularly the World Bank and Inter-American Development Bank, for rural development and increased agricultural production in countries in which illegal drugs are cultivated have been used extensively in crop substitution efforts even though the loans may not have been specifically targeted for such a purpose.

## Section II

### The Bases for a Special Regional Fund

Both the Declaration of Quito and OAS General Assembly Resolution AG/RES.699 call upon the member countries to consider the establishment of a special regional fund to deal with the drug problem, with the General Assembly specifically focusing on the special needs of those countries adversely affected by coca production and illicit cocaine traffic. Both documents treat the drug situation in the Hemisphere as an urgent and vital concern, to which inadequate attention and resources are currently being directed. Hence, it is reasonable to presume that the proposal is for a new and additional source of funds, not a substitute for those already existing which were described in the preceding section.

To facilitate consideration by the member states of the feasibility of creating such a fund, there appear to be four central questions which need to be answered, namely:

1. The need for a regional fund;
2. The purpose it would serve;
3. The sources for its financing; and
4. Its management.

#### 1. The need for a regional fund

In view of the dimensions of the illegal cocaine traffic specifically and narcotics in general in the Western Hemisphere, there is little doubt that a major problem exists and that there are no quick solutions. What is needed is a sustained campaign over a substantial period of time in order to attack systematically each segment of the cocaine chain. For this purpose, the current external resources available to the member countries for this purpose are patently inadequate. The information contained in Studies N° 1 and 2 have spelled out chapter and verse.

The Hemisphere is dealing with a highly organized criminal operation which affects almost every country, either through cultivation, traffic or consumption of drugs. Statistics appear to be only estimated guesses about the real situation because of the nature of the illicit operations, but there is sufficient evidence to sound the alarm. The illicit drug industry in the United States was estimated by the Select Committee on Narcotic Abuse and Control of the U.S. House of Representatives, in its January 1985 Report, to be about \$110 billion a year, and growing at about 10 percent per year. In most of the other member countries, experts report that drug consumption is sharply rising, especially among youth. The traffickers have mounted a network which undermines established

political institutions and drains resources from the legal economy. In 1984, the illicit cocaine trade in Bolivia is estimated by informed Bolivian sources to be about \$2.2 billion, almost three times greater in value than all the traditional exports of its economy. The power of the drug traffickers has been evidenced in terrorist attacks on public officials and even armed onslaughts on government sponsored crop substitution and other control programs. The illicit lucre generated from drugs is reportedly being used to corrupt police, judiciary and elected public officials in many member states.

The coca-cocaine operation is one of the most virulent sectors of the overall drug problem. As the analysis in Study N° 3 repeatedly points out, the coca-cocaine chain is an inter-related series of activities from production through processing, trafficking, consumption and laundering of money. To deal effective blows to this illicit process, it must be attacked in all its segments with measures sufficiently comprehensive to reduce cultivation, inhibit processing and traffic, discourage consumption and take the profit out of the operation. And, such measures require financial resources which many of the developing member countries afflicted by the coca-cocaine problem are incapable of mobilizing, especially in the current debt crisis.

Given the dimensions of the problem, it would appear that the resources available from the existing sources described in the preceding section of this Study are not adequate to do the job. There has been no systematic survey to determine what amounts might be needed; and, that answer depends on the purposes for which funds may be used. However, to cover a reasonable percentage of the activities suggested in Section III of Study N° 3, the amount of additional external financial assistance needed is very substantial. Thus, it would appear that there is a legitimate requirement for additional external resources to deal with coca-cocaine problems--and substantially more if the other narcotic and psychotropic drugs are also to be dealt with.

## 2. The purpose of a regional fund

There is little reason to create another multilateral fund to combat the drug problem unless, through this new instrument, new dimensions can be introduced into the fight against this "white plague". The Declaration of Quito and the General Assembly Resolution seek to mobilize the inter-American community as a unit to overcome the threat posed by drugs and drug traffickers. Hence, it would appear that the major purpose of any new fund should be to effect that mobilization.

The analysis in the preceding three Studies illustrates that the cocaine chain must be attacked by comprehensive, sustained efforts in which all the member states can support each other. The international treaty obligations which most of the OAS member states have accepted under the Single Convention on Narcotic Drugs of 1961 and its

Protocol of 1972 define the goals and parameters of licit action for the international community, but the need remains for mechanisms which could help promote specific cooperative endeavors designed to help all member states implement fully and effectively their treaty obligations.

In Section III of Study N° 3, the various mechanisms available to the Organization of American States for such an objective are detailed. Cooperation among these member states could effectively reinforce the capacity and determination of each and every affected state to implement all necessary measures for attacking all the links of the coca-cocaine chain. With regard to some of the links, cooperation is a cardinal element for success, such as in the case of curtailing and restricting production. Since one or the other species of coca can be grown in the various ecological zones of the Amazon Basin and the surrounding Andean highlands, cooperation by all the countries of the area is probably the sine qua non for a truly successful effort to reduce production; otherwise, it is likely that efforts by one country could be negated by nefarious efforts by drug traffickers in another. As pointed out in Study N° 1, programs to promote alternative crops in lieu of coca need to be part of a triad of actions for development, enhanced enforcement and public information. If a framework for cooperation by the member states exists and effective actions in support of the triad are being carried out by all of them, it becomes easier for each member states to explain to its body politic what is being done, why it is being done and how each element of action is being reinforced by corresponding actions by other member states.

Hence, it is suggested that the basic rationale for an inter-American fund should be to promote and strengthen cooperation by the member states to help each other deal with the problems posed by drug traffic. The range of such possible actions are suggested in Section III of Study N° 3, with special emphasis on the problems faced by developing member countries who need to reduce substantially the production of coca from which illicit coca paste/cocaine is derived. If, indeed, the dire conditions caused by the drug traffickers and drugs are to be overcome, comprehensive programs sustained over a substantial number of years, are needed to deal with each segment of the chain. Thus, the fund would provide the instrument for inter-American solidarity for assisting member countries to develop and sustain longer-term efforts to eradicate drugs. In this sense, it seems doubtful that a regional fund should be used for facilities, equipment, training or activities that do not form part of longer-term plans or are not compatible with inter-American strategies and/or programs.

The detail presented in the preceding three studies conclusively establish that the dimensions of the drug problem are so great that substantial recurring external funds are needed to supplement national resources. For these external funds to have an impact, there must be an institutional framework and an effective program by each affected national government. External resources should be available to help complete the

job--not be a substitute for the absence of a government's efforts. The relative financial situation of each member government must, of course, be recognized especially in light of the current debt and fiscal crisis; however, self-help should inevitably be a significant factor. If there is inadequate local commitment, the prospects for external resources making a significant contribution to solving the drug problem are minimal.

In this context, it is suggested that there is a legitimate and sound purpose for a regional fund, namely, to promote cooperation among member countries on long-term comprehensive programs which attack progressively all segments of the cocaine chain specifically, and all other illicit drugs as well, in actions consistent with international obligations and based on national commitments and efforts.

### 3. Financing a specialized regional fund

The creation of a new regional fund raises a major question about the source of its resources. There have been few new multilateral facilities established over the past decade, largely because of the reluctance of member states to assume new international commitments. And, in the context of the current debt crisis which has so severely affected the liquidity, prosperity and growth of so many OAS member states and the budget deficit which confronts the largest contributor to the OAS, it is questionable whether, over the short to intermediate term, member states will be willing to assume obligations to finance a new multilateral fund.

The usual form of financing an international fund is through voluntary contributions, although there have been occasional situations in which the regular quotas of member states have been increased to accommodate a special payment or assessment for a priority activity. The debates at the 1984 General Assembly do not touch on the question of how to finance a new regional fund. The draft convention proposed by Venezuela stipulates that financing could be under the quota or by voluntary contributions. In the case of UNFDAC, it is funded exclusively by voluntary contributions. Experience in all international fora over the past decade indicates that member states have categorically rejected new quota obligations and only reluctantly made voluntary contributions to new facilities. The fact that only \$130,000,000 has been pledged for UNFDAC since its creation over a decade ago illustrates the difficulty of obtaining new voluntary resources despite the urgency of the drug problem.

Under the Charter of the OAS, if the member states were, nonetheless, prepared to accept either an increase in their annual quota obligations or to agree to special voluntary contributions to finance the proposed fund, there would be no juridical or procedural obstacle to the preparation and adoption of the necessary instruments for its creation, financing and operations.



However, in the light of financial crisis confronting member states, perhaps some unorthodox methods of financing might be considered. They would not fit the traditional definitions of quotas or voluntary funding. Some possible formulae might be:

- An inter-American agreement to commit to the special regional fund a fixed percentage of the value of all equipment, drugs, monies and other items seized and sold by the member states in connection with the control of drug traffic. Under this formula, all member states would become obligated to contribute to this fund the agreed-upon percentage of the proceeds from chattels, real estate, et.al., seized and executed upon by their authorities in connection with the enforcement of narcotic laws.
- An inter-American accord to earmark a percentage of the profits earned by inter-american and subregional financial institutions to finance cooperative programs against drugs and drug trafficking. Under this formula, the member governments would assign the highest priority to the drug problem and instruct their representatives in the various institutions to adopt a uniform practice of allocating a fixed percentage of annual profits to a special fund which could make grants and/or loans to member states to help finance specific projects related to drug-traffic control for the purpose(s) specified in the instruments under which the fund were created.
- An inter-American fund which is empowered to received voluntary contributions not only from member states but also non-member states, private enterprises and voluntary non-profit groups. This formula goes beyond the usual voluntary fund provisions currently in effect under the Charter of the Organization. It might well contemplate imaginative money-raising efforts such as hemisphere-wide TV and radio telethons, special lotteries on given occasions held simultaneously in all member states and/or an annual Inter-American commemorative issue of coins and/or stamps. In support of this proposal, hemisphere-wide campaigns would be organized to build public support as well as generate monies for the program. A sustained public relations efforts would be carried out to build up a long-term base for generating funds from governmental and private sources to continue the war on coca-cocaine and all other drugs.

The sources of income for the proposed regional fund is a major question which must be addressed by the member states. There are, as indicated above, some options for providing funds which are different from the usual inter-American practice of government quotas and contributions. Innovative financial formulae would not be easy to install and operate; but, if the member states deem the problem sufficiently compelling to warrant inter-American cooperation to combat it, then perhaps one or more of the unorthodox methods might well be explored.

4. Management of a regional fund

The fourth question which must be addressed by the member states relates to the administration of a regional fund if one were to be established. The options which the member states might consider depend, in part, on the source of funds to be tapped; but, more importantly, they should assess the capacity of an agency to work on the specific problem of combatting drugs and drug traffickers in the Western Hemisphere.

In the more traditional practices of the international community, if the member states were to agree to set up an inter-American fund, it would be managed by the agent named in the authorizing resolution. That agent usually would be the organization entrusted to receive the funds or, in some cases like the Inter-American Development Bank when it is instructed to create a special window, the institution providing the monies. Under these circumstances, the choices would be relatively simple and straight-forward.

However, given the uniqueness of the subject matter and the long-term nature of any effective response, a decision on management raises issues which go far beyond the usual arrangements. What is needed is a financial manager which has the knowledge and capacity to keep on top of the five segments that make up the coca-cocaine chain--expertise that bridges the range of topics from cultivation to processing to traffic patterns to drug treatment to tracing illicit profits. The complex subject matter requires in-depth knowledge about causes and effects, about what works and what doesn't. This knowledge is not necessarily available to the usual money managers or administrators of development projects.

Hence, it would seem that in assessing this management question, the viable options should not include the usual range of possible financial agents. Rather the options should be restricted to those institutions or agencies which have the requisite expertise. And, that focus limits the options to the following:

- The first possibility would require action by the member states to establish a specialized Inter-American body to handle all aspects of the drug problem. The subject matter is so special and so unique that it does not fall within the normal parameters of existing multilateral inter-American loan, grant and technical assistance institutions. This body would consolidate the substantive responsibilities for drug traffic and drugs in the Western Hemisphere and also manage whatever fund might be created. It could conduct studies, provide technical support, arrange inter-American meetings and seminars, develop cooperative programs, make in-country inspections as required and also make loans and/or grants to the member countries for projects which fall within the criteria for funding approved by

the member states. Such a body could be the Inter-American Commission on Drug Trafficking, one of the mechanisms suggested in Study N° 3.

- The second option would involve an unorthodox arrangement for the Organization. The member states might opt to consolidate the management of the special Inter-American fund under the United Nations Fund for Drug Abuse Control (UNFDAC). UNFDAC is the only specialized multilateral fund in operation today that combines the knowledge and experience of the drug problem with the practical capability to administer substantial funding for country projects. As described in the preceding section, it has developed a program and evaluation system against which to judge project proposals. Under this option, the OAS might establish a permanent body like an Inter-American Commission on Drug Traffic, through which the Organization could organize and operate a broad-gauged program to combat drugs and drug traffic. An agreement could be negotiated with UNFDAC under which the OAS body would establish institutional and/or programmatic linkages with the world-wide agency. As part of the agreement, any and all monies raised in the special Inter-American fund would be deposited in UNFDAC for earmarked use in projects jointly selected by the OAS and U.N. bodies, in accordance with criteria and procedures jointly agreed upon. Under this arrangement, UNFDAC would administer the funds; but, the OAS Commission could participate in the selection of projects, the design of operations and the evaluation of results. This option would (1) avoid the creation of a new fund and (2) direct the monies provided by the member states to programs and activities directly related to the war on drugs and drug traffickers.

In assessing the options related to these four questions, the member states should carefully evaluate the advantages and the costs of each--including overhead, management, and technical considerations as well as policy issues. Resources are limited; the problems are immense; and, expertise is at a premium. Given the scope and impact of the problem on the member countries, there is ample evidence on which to conclude that the OAS should develop a capability to plan, develop and implement comprehensive sustained programs which promote cooperation among the member states to combat drug traffic. But, what should the parameters of that capability be? Need it necessarily extend to the creation of a regional fund managed by the OAS General Secretariat or can suitable and viable alternative arrangements be worked out with already established institutions such as UNFDAC?

ANNEX 1

1984 Country Programs of the United Nations Fund  
for Drug Abuse Control (UNFDAC)

In United Nations (UN) Document E/CN.7/1985/12 of 13 December 1984, the UNFDAC reported on its 1984 activities to the Commission on Narcotic Drugs of the UN Economic and Social Council. The following is the text of this Report in which activities in OAS member states are described:

Bolivia

"36. The production of coca leaves in Bolivia has steadily increased in recent years to reach a level which, in accordance with current sources, was estimated to be around 60,000 tons in 1983. Bolivia's best known coca cultivation areas are the Yungas and the Chapare. Other traditional areas include Apolo in La Paz Province and Ayapaya in Cochabamba Province, while non-traditional areas cover Santa Cruz, Beni and Pando. It is estimated that Bolivia's 500,000 coca chewers consume about 16,000 tons of leaves annually, so that 44,000 tons are available for the illicit market, 85% of which is converted locally into coca paste and 15% into cocaine. While internal consumption is increasing rapidly, most of the coca paste and the cocaine is smuggled to Argentina, Brazil, Chile and Colombia for further processing, consumption or transshipment to the United States and Europe.

"37. UNFDAC's assistance to Bolivia started in 1976 covering small-scale projects in the treatment, rehabilitation, vocational training and preventive education sectors. A major portion of UNFDAC's support of about US\$400,000 was used to provide a new Drug Addicts Rehabilitation Centre in La Paz with hospital equipment and to organize vocational training workshops.

"38. During 1984, UNFDAC has intensified its contacts with the Government of Bolivia by providing special assistance for the identification of the most suitable areas for an integrated rural development/crop substitution programme. This collaboration, notwithstanding the various technical, social and political difficulties, has produced excellent results and has led to the design of a major coca control programme in the area of the Yungas.

"39. On 15 August 1984, a Memorandum of Understanding was signed in La Paz between UNFDAC and the Government of Bolivia in which the two parties committed themselves to the earliest possible implementation of a cluster of projects within the framework of the coca control programme. The UN executing agency for this five-year US\$20.5 million programme will be UND/OPE. In accordance with UNFDAC current plans, FAO and UNIDO are expected to become associated with the execution of the programme, under sub-contract arrangements.

"40. The programme is planned to become operational in January 1985. It will be centered around the towns of Chulumani, Coroico and Caranavi and foresees activities in the fields of agro-industry (coffee, citrus fruit, tea), agricultural extension, credit and experimentation, nurseries, construction of feeder roads, marketing and commercialization.

"41. The agreement stipulates that UNFDAC's assistance to the agricultural and agro-industrial development of the Yungas is provided on the condition that the Government of Bolivia takes appropriate measures (a) to obtain the agreement of the farmers to reduce gradually the coca cultivation once the present agricultural and agro-industrial development programme begins to provide alternative income; (b) against traffickers in the entirety of the country who buy or sell the illicit derivatives of coca leaves; (c) to prevent the leakage into national and international traffic in drug and (d) to prevent the extension of the production of coca leaves to land on which they are not at present produced".

#### Brazil

"54. UNFDAC agreed to provide a grant of US\$22,600 to the Oswaldo Cruz Foundation, Ministry of Health, to undertake a retrospective study of drug related mortality and to undertake the development and testing of a methodology for studying drug-related morbidity in hospital emergency rooms as well as the development and testing of a methodology for a survey of drug-related attitudes and behaviours among high school students. Problems related to some modifications in the project proposal and to the changes in the execution of the project have been recently solved and will enable to starting of the activities by the end of 1984."

#### Colombia

"58. Colombia is today known as the major centre for both refining and trafficking of cocaine HCL. Current estimates indicate that Colombia alone processes about 45 metric tons per annum of pure cocaine from coca produced in Bolivia and Peru. Around 14 additional

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within formal and non-formal education, health and community service structures. UNFDAC estimated contribution will amount to US\$1.0 million over a period of twelve months. Another project focuses on a mass media campaign aimed at selected target groups. This one-year project will foresee an UNFDAC contribution of US\$500,000.

"64. The treatment and rehabilitation project focuses on creating support for and understanding of alternative approaches by encouraging non-medical, non-institutional treatment and rehabilitation projects. The suggested activities revolve around training of key personnel at the governmental decision-making level, within the official health services and within existing private non-medical, non-institutional treatment and rehabilitation facilities. The project is planned for a period of two years, with an UNFDAC contribution of US\$350,000.

"65. A fourth project being considered relates to a crop substitution/rural development activity in a traditional coca-cultivating area of the Department of Cauca. This project foresees an UNFDAC contribution of US\$1.2 million over a period of four years.

"66. Plans are also underway for providing support to a national drug abuse information centre and data bank, with an estimated UNFDAC contribution of US\$50,000 over twelve months".

#### Ecuador

"69. The Government of the Republic of Ecuador emphasizes, in its educational policies, the necessity of preventing the use of drugs by young people. With the financial assistance of UNFDAC, the DINACTIE (Dirección Nacional contra el Tráfico Ilícito de los Estupefacientes) has elaborated and co-ordinated, from 1981 to 1983, strategies for preventive education against drug abuse at national and provincial levels, by carrying out a basic epidemiological survey, by the training of personnel and by the gradual introduction of the prevention concepts into the educational curricula.

"70. During 1984, UNFDAC provided further assistance to Ecuador by financing a one-year project in the field of preventive education, at a cost of US\$101,700. The activities included an evaluation of the measures undertaken since 1980, the organization of training seminars for the central preventive education unit in Quito and for sub-units in 10 different provinces, the preparation of reference documentation material, and the elaboration of a methodology for the qualitative and quantitative evaluation of preventive education activities. The executing agency for this project was UNESCO.

"71. In August 1984, UNFDAC received a request from the Government of Ecuador for further assistance in the field of preventive

metric ton are produced from homegrown coca leaves, of which about 4 metric ton are deemed to be consumed in the illicit domestic market. The US/Drug Enforcement Administration estimates that approximately 41 metric ton are deemed to be consumed in the illicit domestic market. The US/Drug Enforcement Administration estimates that approximately 41 metric tonnes of cocaine HCL are clandestinely imported into the illegal US market from Colombia, 75 per cent of the total illicit imports. Approximately 14 metric ton are exported to other markets, mainly Western Europe, representing an increase in less than two years of more than three times. Drug abuse among Colombian youth is reported to be increasing at an alarming rate.

"59. In October 1980, UNFDAC signed an agreement with the Colombian Government for a project designed to help develop drug abuse prevention activities, to support treatment and rehabilitation centres, to strengthen manpower resources through fellowships, training seminars and courses, and to carry out epidemiological studies.

"60. Phase I of the above project, executed by WHO/PAHO, ended in December 1982. In April 1984, UNFDAC approved a two-year project as a follow-up programme. The project commenced activities in July 1984. The Ministry of Health is the Government Implementing Agency, with WHO/PAHO as the UN executing agency. The project aims at identifying meaningful indicators that would facilitate a national prevention programme, strengthening and increasing the overall coverage of the treatment centres/services and designing and organizing a computerized system of control, production, distribution and consumption of licit drugs.

"61. The original approved budget amounted to US\$337,200. UNFDAC has agreed to increase the budget in order to finance, within the framework of the project, both a "Clinical Cases Seminar" scheduled to be held in December 1984 and, a "Drug Abuse Control Sub-Andean Regional Training Course" envisaged for implementation in 1985.

"62. In March 1984, a UNFDAC mission visited Colombia. Discussions were held with the relevant national authorities to assess the needs in the area of drug abuse control. On that occasion, the major problems were identified and priorities for assistance programmes established. In order to operationalize the programmes, UNFDAC fielded in August 1984 a multi-disciplinary team mission which has provided assistance in the design of new activities. Five projects have been formulated in the fields of prevention, treatment and rehabilitation, and crop substitution. These projects are planned to become operational in January 1985.

"63. The prevention project is aimed at the training of drug abuse control "agents" at the national, regional and community levels

"102. Since 1976, UNFDAC has provided small-scale assistance to Peru covering activities in the fields of law enforcement, preventive education, treatment and rehabilitation. By the end of 1983, total accumulated expenditure for these UNFDAC-financed activities amounted to about US\$440,000.

"103. During 1984, UNFDAC has financed drug law enforcement training activities and has provided equipment and consultancy services for the drug addicts treatment sector. In August 1984, UNFDAC approved a contribution of US\$421,000 for a one-year programme of assistance to the Peruvian Investigative Police (PIP), for which the Division of Narcotic Drugs is the executing agency. The programme foresees the provision of vehicles, telecommunication, photographic and laboratory equipment as well as fellowships for senior PIP staff.

"104. Through the Secretariat of the South American Agreement on Narcotics and Psychotropic Substances, UNFDAC is assisting the recently established Regional Police Training Centre in Lima, at a cost of US\$100,000 over a three-year period.

"105. Furthermore, UNFDAC has received a request for assistance in the fields of preventive education and treatment requiring US\$210,000 for a 15 month-period. The project document, which is expected to be signed by the Government, UNESCO, PAHO and UNFDAC by the end of the year, foresees the provision of audio-visual equipment, fellowships and training courses for the preventive education sector as well as consultancy services, equipment and fellowships for the health sector.

"106. Before the end of 1984, UNFDAC also plans to approve activities in the major coca growing areas of Peru. These activities are intended to give traditional coca cultivators the opportunity to benefit from alternative sources of income. A first programme will concentrate on integrated rural/agro-industrial development. UNFDAC contribution will amount to US\$1.7 million: out of this amount, US\$630,000 will be utilized for technical assistance, to be implemented by UNIDO in 1984 and 1985. In addition, UNFDAC has agreed to finance activities aimed at identifying, formulating and executing ad-hoc projects which will lead to the reduction of coca cultivation in Peru".

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