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South America: The Expansion and Modernization of the Illicit Cocaine Industry



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A Research Paper

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South America: The Expansion and Modernization of the Illicit Cocaine Industry

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A Research Paper

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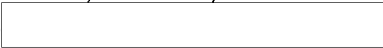
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 the Strategic Narcotics/Western
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South America: The Expansion and Modernization of the Illicit Cocaine Industry [Redacted]

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Summary

Information available as of 1 February 1986 was used in this report.

Intensified narcotics control efforts in South America, particularly in Colombia, have disrupted trafficking operations and driven up the cost of doing business. The illicit cocaine industry, however, has shown remarkable ability to adjust to enforcement efforts, and the large profits from cocaine sales provide traffickers with the financial resources to relocate operations. In particular, traffickers take advantage of the differences in the nature and priority of the governments' control programs. [Redacted]

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Cultivating and processing coca are highly attractive to South American campesinos; no licit crop could approximate the income from drug crops. We estimate the 1985 harvest at 140,000 to 200,000 metric tons of leaf, or about 1 metric ton per hectare cultivated. Peru, Bolivia, and Colombia are the major coca producers, but coca fields have also been found recently in Brazil, Ecuador, and Venezuela. Better cultivation practices—including moisture retention schemes, nursery propagation, contour planting, and the use of modern fertilizers, pesticides, and herbicides—are increasing yields. Farmers and traffickers have adopted simple technological improvements for drying and macerating the leaf before initial processing that should raise cocaine alkaloid yield and minimize loss over traditional methods.

[Redacted]

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In response to government pressure and market factors, major traffickers are strengthening their operations through organizational improvements, such as increasing vertical integration and cooperation among trafficking organizations. Aggressive attempts to create a mass appeal for cocaine and to expand the marketplace beyond the United States to Europe and Asia will help traffickers avoid the consequences of overproduction in the future. Smuggling techniques are becoming more ingenious in response to interdiction pressure; some large traffickers have insurance schemes to protect against the loss of the big shipments. Large traffickers can construct processing laboratories using trained chemists and sophisticated equipment that can efficiently produce tons of the drug at one site. [Redacted]


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Drug control efforts face an uphill battle. Interdiction is difficult because geography favors the traffickers. Eradication programs, although expanding, are labor and money intensive and have not been able to keep pace with expanded coca cultivation. Crop substitution, judicial action, control of essential chemicals, rural development, and public-awareness campaigns


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have shown some success in individual countries, but more international cooperation is needed to prevent growers and traffickers from relocating their operations. 

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We judge that the situation in most cocaine trafficking countries will continue to worsen in the near term, but that this deterioration may well provoke additional public and official moves to significant action. Rising domestic drug abuse, violence and corruption, potential insurgent involvement, and the growing power of major drug dealers have already led some South American leaders to conclude that cocaine is no longer exclusively a foreign problem. Public opinion also seems to be shifting in favor of more controls. 

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Some tentative steps are being taken toward regional cooperation—a key ingredient to successfully combating cocaine traffickers. If a successful alliance against drugs can be achieved among the key South American countries, it will lessen the options open to traffickers for expansion and evasion of enforcement activities. Traffickers' cross-border tactics, in particular their ability to flee areas of enforcement to set up shop elsewhere, could be stymied by the creation of more uniform international drug suppression mechanisms. Recently, South American leaders have begun to call for the internationalization of antinarcotics efforts. We believe a concerted regional South American antidrug effort with broad international backing would enhance existing national programs in the area. 

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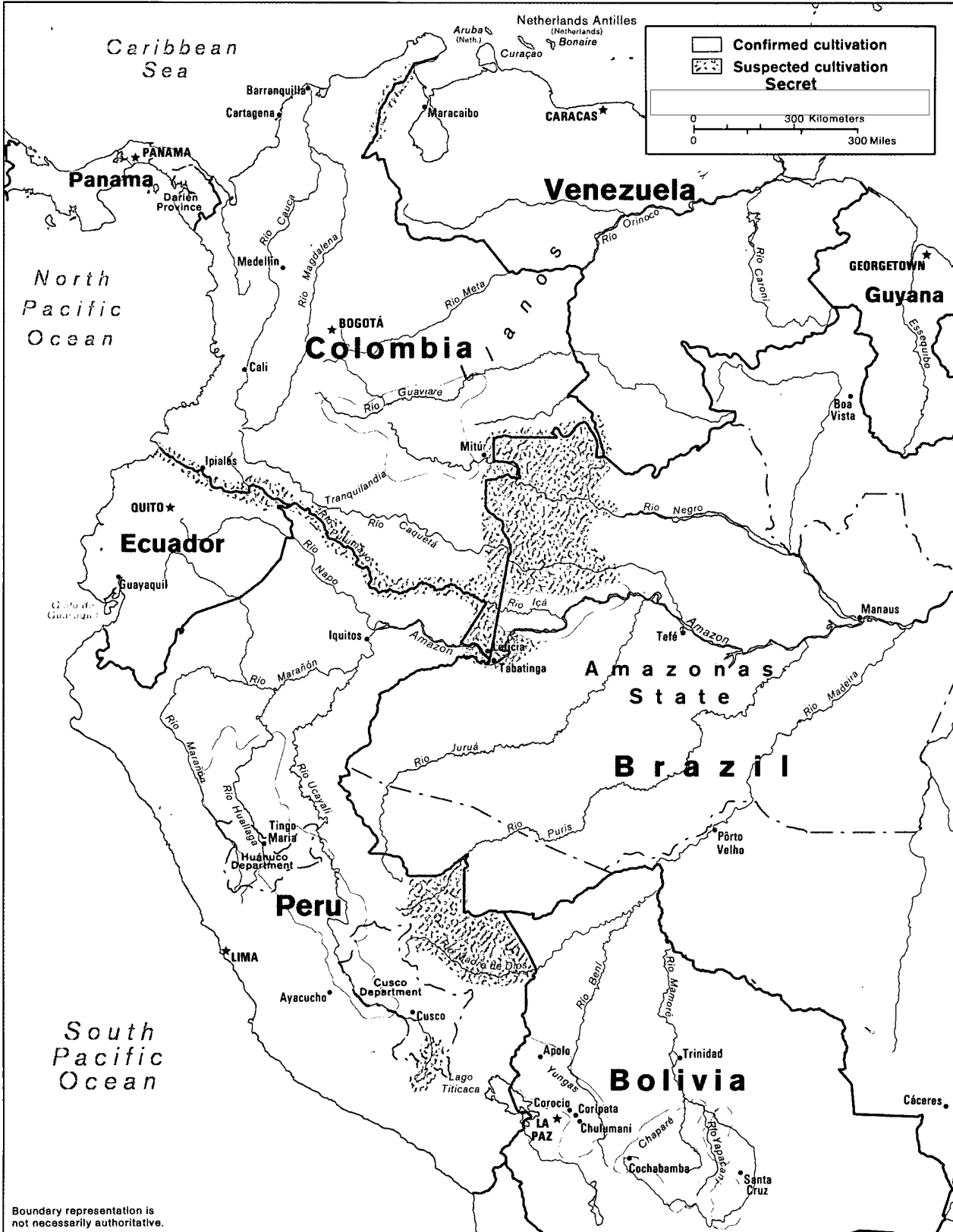
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Figure 1
Coca Cultivation



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Boundary representation is not necessarily authoritative.

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South America: The Expansion and Modernization of the Illicit Cocaine Industry



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Introduction

Cocaine—an expensive “elite” drug in the early 1970s—is now the drug of choice for an expanding group of abusers at all levels of US, West European, and Australian societies. Cocaine’s mystique as the recreational drug of the rich and famous and its alleged safety as a physically nonaddictive substance contribute to its popularity. We judge, however, that the producing, shipping, and marketing expertise of South American cocaine entrepreneurs and their trafficking organizations have propelled the international cocaine explosion. Developed over the past decade, the infrastructure supporting this expansion is now deeply entrenched in the political and social fabric of the major producing countries, where it is sustained by high profits, fear, and apathy.

Traffickers’ operations could easily provoke more direct confrontations with South American governments. We judge that the traffickers are too well equipped and their financial opportunities too great for them to back down without a fight. Their demonstrated capacity for innovation and resilience, moreover, cause concern for the future. Without a concerted international effort against them, the cocaine entrepreneurs will be positioned to meet the challenge to boost production, expand the market, and streamline the trafficking chain to maximize profits.

Cultivation: On the Increase

Illicit coca cultivation is highly profitable to the South American farmer, enabling him to earn two to three times the return he would get from legitimate cash crops. According to coca cultivation experts in Peru and US Drug Enforcement Administration (DEA) field officers, the first harvest from coca bushes takes as little as 18 months, as compared with three years or more for the first harvest from substitute crops such as citrus and coffee.

Estimating Procedures

Coca estimates for Bolivia and Colombia were derived by a methodology that uses [redacted] statistical techniques to calculate total coca hectareage. Imagery is used to sample the crop area to determine the number and average size of fields. This information is extrapolated to cover the entire growing region. Yield figures—[redacted] are multiplied by the planted area to derive production. Losses, usually reported by government officials responsible for eradication and interdiction programs, are deducted to provide a net production figure. The accuracy of this process varies depending on the size of the sampled area, availability and quality of the imagery, [redacted]. We believe our 1985 coca estimate for Bolivia is accurate to within 12 percent of the actual area cultivated; the Colombian estimate is accurate to within 25 percent. No formal estimate has been done on Peru, where we are still trying to determine the areas where coca is grown. Although no crop estimating method can be completely accurate, we believe this process provides a good basis for assessing the extent of drug crop cultivation in specific regions and countries.

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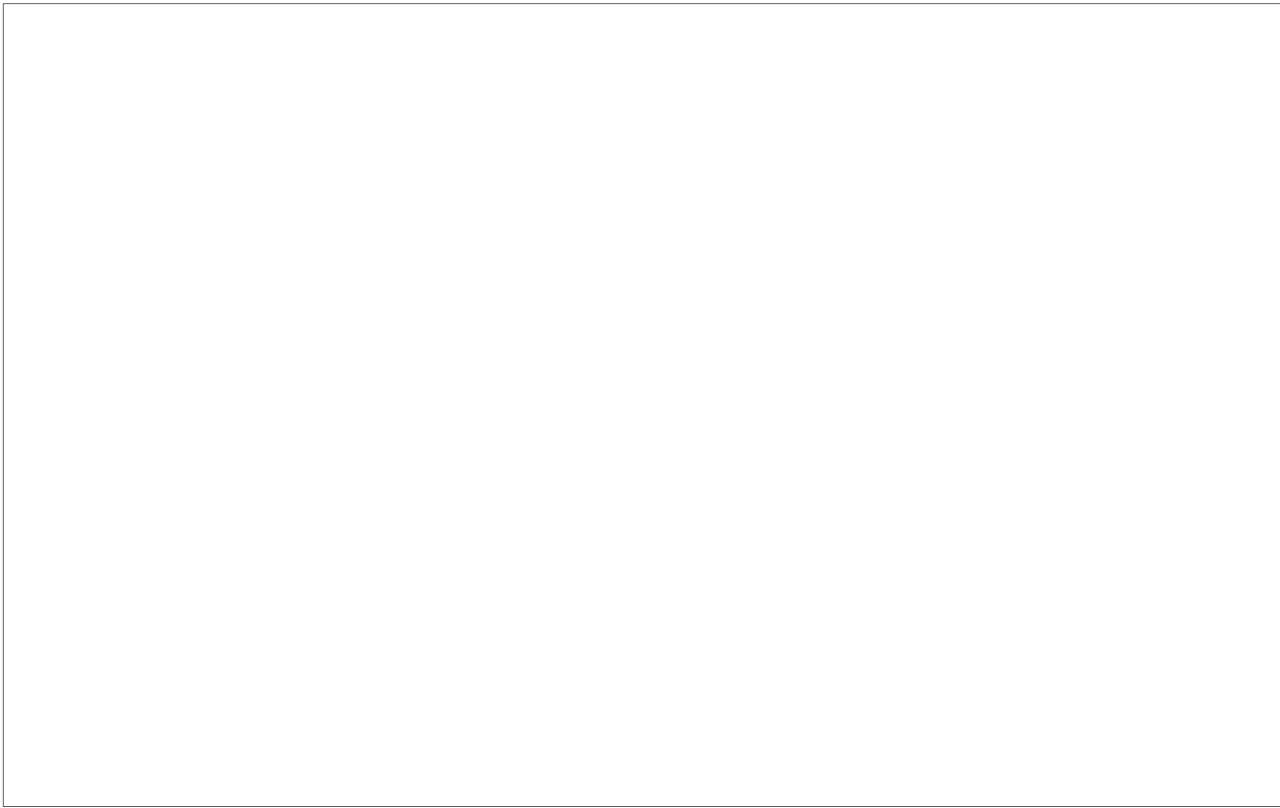
We estimate that coca is cultivated on 140,000 to 200,000 hectares in Peru, Bolivia, Colombia, and Ecuador, and it is expanding (figure 1). [redacted] the labor required for coca cultivation is roughly one person per hectare, and, when the grower’s dependents are added, as many as 1 million persons may be directly dependent upon coca cultivation in South America. We estimate the 1985 coca leaf production in South America at between 140,000

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and 200,000 metric tons, which could result in nearly 200 metric tons of cocaine hydrochloride available for export. [redacted]

Peru: The Preeminent Producer

Peru has emerged during the last decade as a leading producer of coca leaf. We believe it has more land in coca cultivation than all the other South American countries combined, with at least 100,00 hectares planted to coca in 1985. In our judgment, Peru produces most of the coca leaf harvested in South America. The Departments of Cusco and Huanuco account for most of the leaf production, although some coca is grown in nearly every administrative area. [redacted] only 43,000 hectares is approved for licit production. [redacted]

For the past several years, the official US Government estimate of the area devoted to coca cultivation in Peru was about 50,000 hectares, but [redacted] the cultivated area is much larger. In 1981 [redacted] 140,000 hectares devoted to coca countrywide, and recent [redacted]

[redacted] claims as much as 89,000 hectares in the Cusco growing region alone. The US Embassy estimates cultivation at 100,000 hectares in 1985. Thus far we have been unable to do an imagery-based estimate of Peru's coca hectareage, and until we can do so the differences of opinion are likely to persist (figure 2). We judge that processing inefficiencies probably limit the amount of cocaine hydrochloride produced from this large area to less than 100 metric tons a year.



Bolivia: Number Two

We estimate Bolivia's 1985 crop at about 32,000 metric tons of dry leaf harvested from some 34,000 hectares. Our estimate of cultivated area is derived from satellite and high-altitude aircraft imagery. We believe the coca grown in Bolivia could produce over 80 tons of cocaine hydrochloride. Most of the coca cultivation is located in the Yungas and Chapare regions on the eastern slopes of the Andes. Most of the coca in the Yungas is grown around Chulumani in terraced fields on steep mountain slopes (figure 3). The soil is marginal for other agricultural crops but is

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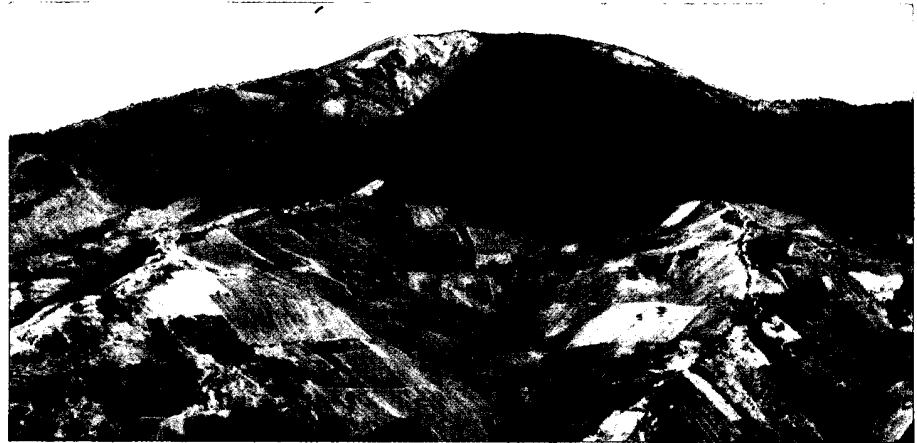
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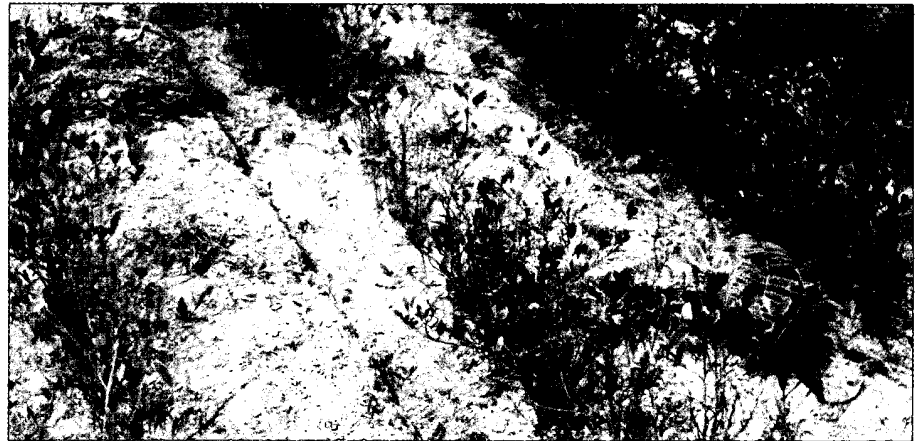
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Figure 3. The Yungas region of Bolivia is dominated by coca cultivation. Only an estimated 5 percent of the farmland in this area is used to grow other crops. The use of terraces allows coca fields to crawl up hillsides (top) and practically denude nearby mountains. A closer view of some of these terraces (center) shows coca fields in various stages of maturity. The coca bush (bottom) grows 2 to 3 feet tall in the Yungas and can be harvested three or four times per year.



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adequate for the hardy coca plant. Extensive new fields have appeared along the road from Chulumani to Coroico and Coropati, where neatly terraced fields containing freshly planted seedlings were observed by US Embassy travelers in October 1985. [redacted]

[redacted] This area would provide enough leaf to produce about 25 tons of cocaine hydrochloride. Although Colombian trafficking groups control much of the cocaine trade, they rely on growers in Peru and Bolivia to supply most of the coca paste and base for conversion to cocaine. Coca cultivation in Colombia has increased steadily over the past several years. Most fields are in the Llanos and Caqueta area, remote lowland regions in southeast Colombia that are part of the Amazon River Basin. [redacted]

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Most coca production in the Chapare region is located east of the town of Cochabamba, where cultivation began only in the last 25 years with the settlement of new agricultural lands. Much of the Chapare's agricultural land is devoted to food crops, but increased income from coca has led to a dramatic expansion of illicit coca cultivation in the region. Almost all coca in Bolivia is grown in the open with few attempts to hide the fields. [redacted] in 1985 revealed several other coca-growing areas in Bolivia, including the Yapacani, Apolo, and several other regions (figure 4). [redacted]

We believe the inferior quality of Colombian-grown coca plus the government crackdown on drug trafficking that began in 1984 probably have curbed the expansion of coca cultivation recently. Coca fields once considered safe from government interference are now vulnerable to manual eradication operations by the special narcotics police. In the expectation that Colombian Government efforts against the cocaine

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Colombia: A Poor Third in Cultivation

Colombian growers cultivated some 16,000 hectares of coca in 1985, according to estimates [redacted]

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industry will continue, we believe many growers are shifting their coca to the more remote and nontraditional regions of Colombia—such as the Sierra Nevada de Santa Marta mountains, a traditional marijuana-growing area in northern Colombia—or across the border into Brazil, Ecuador, and Venezuela. Recent aerial surveys [] confirm coca cultivation in northeastern Colombia and in the western portion of Brazil's Amazonas State near the Colombian border. []

Other Countries: Up and Coming

Brazil, Ecuador, and Venezuela have the potential to become important coca producers. The National Narcotics Intelligence Consumers Committee estimates as much as 1,000 hectares are under cultivation in Ecuador near the Colombian border. In Brazil, approximately 50 hectares of coca were destroyed in 1983, and, according to DEA, an additional 840 hectares were eradicated in 1984. This may be just the tip of the iceberg. Much of the illicit coca grown in the upper Amazon is planted among the trees, according to the Embassy, and is therefore difficult to detect from aircraft. Neither the Embassy [] [] can offer a reliable estimate of the area under cultivation. Venezuela's National Guard was searching for marijuana fields when it stumbled on coca fields along the border with Colombia last March, but we have no information about the extent of cultivation. []

On the basis of present trends, we expect that coca cultivation will expand in Bolivia and Peru, and that new areas will open in Brazil, Venezuela, and Ecuador. We expect new production to occur primarily through further development in already established growing regions. []

[] Discovery of large new areas of cultivation by antinarcotics forces of countries bordering the big coca producers will drive up the estimates of total coca production. Altogether, the potential coca-growing region equals an area about the size of the western United States, but difficulty of access and lack of labor make much of this unlikely for coca cultivation. Even without additional planting, however, illicit coca leaf output will probably rise as recently planted bushes mature. []

Table 1
**Estimated Coca/
Cocaine Production in 1985^a**

Metric tons

	Peru	Bolivia	Colombia	Ecuador
Dry leaf ^b	130,000	32,000	16,000	1,000
Local consumption	44,000	18,250	NA	NA
Eradication	5,000	NEGL	4,000	NA
Net leaf (available for conversion)	81,000	13,750	12,000	1,000
Processing efficiency ^c	0.30	0.55	0.55	0.55
Cocaine base	80	84	24	2.5
Paste	820	218	83	6
Pure cocaine hydrochloride ^d	80	84	24	2.5

^a This table provides a rough comparison of the relative size of the coca harvests in South America. The estimates for Bolivia and Colombia are based on imagery and statistical analysis, and these are more certain. We are less confident of the estimates for Peru and Ecuador, []

^b The amount of coca under cultivation in other countries such as Brazil and Venezuela is unknown.

^d Indicates amount of cocaine hydrochloride that could be produced from leaf production in that country. Much of the paste and base is shipped to Colombia for further refining.

Better Cultivation Practices

South American farmers' use of modern cultivation techniques for improving coca leaf yields causes as much concern as the increases in cultivated area because, even if control measures reduce coca hectareage substantially, total production could remain constant. Modernization techniques include sophisticated moisture retention schemes; contour planting on mountain slopes; and the use of fertilizers, pesticides, and herbicides. Although coca is a hardy plant, its moisture needs are high. Farmers are building extensive terraces on steep mountain slopes not only to prevent erosion but also to preserve soil moisture. []

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Another cultivation technique, observed in Bolivia, Colombia, and Peru, is the planting of coca seeds in nursery plots. This technique assures more efficient use of seed through better germination and makes it easier to protect the young plants from the desiccating effects of the sun until it is time to transplant. In other locations, farmers propagate stem cuttings—branches from mature bushes cut and planted in new fields—thus shortening the time to first harvest. [redacted]

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Coca farmers in Peru are increasingly using commercial fertilizer, the most effective means of improving production. Tropical soils are extremely poor in the plant nutrients required to produce consistently healthy, high-yielding coca bushes. The abundant rainfall in much of the coca region, although needed for plant growth and development, also leaches out many nutrients required to produce high-quality leaves. [redacted]

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[redacted] sales of high-quality nitrogen fertilizers have increased significantly in the Upper Huallaga Valley, a major coca-growing region. Greater use of these fertilizers could boost annual coca leaf yields substantially and thus provide even greater incentives to coca growers. An additional concern is the impact on licit agricultural production if increasing amounts of fertilizer are diverted to illicit coca production. [redacted]

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Intercropping or planting coca bushes among trees is another cultivation technique being used by South American farmers. Intercropping allows maximum use of the land, and cultivation near trees helps to protect the coca from government detection (figure 5).

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[redacted] intercropping is less common in Peru than in Bolivia and is virtually nonexistent in Colombia. Cultivation near forest trees appears to be significant in Peru, especially in the Upper Huallaga Valley, where 50 percent of the coca in some regions is planted among the trees, [redacted]

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Processing: Improved Efficiency

Minor technological improvements over traditional paste processing methods are paying major dividends in production increases. The high bulk of coca leaf requires that the first stage in the refining process—



the conversion of leaf to paste—be performed as near the growing area as possible; therefore, drying and processing of leaf into paste remain predominantly backyard operations. We believe most of the leaf processors are small-time operators who, although

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Coca Leaf Production

More than 250 species of coca have been identified, but only two—erythroxylum and novagrantense—contain the cocaine-producing alkaloid. Coca is a hardy plant, permitting cultivation under a range of conditions from the relatively dry Yungas region of Bolivia to the tropical rain forests of the Amazon River Basin. Coca is normally not grown at altitudes above 2,000 meters. Unlike opium poppy or marijuana, coca is a perennial—usually kept pruned to bush size, but capable of growing into a tree—and its leaves can be harvested several times a year. Coca seeds can be sown directly in cleared fields or started in nursery seedbeds for transplanting after the first leaves mature. Subsequent cultivation is simple, requiring little attention until harvesting.

The first harvest can occur as early as 18 months after planting, but two years from seedling to first harvest is more normal. The productive life of the coca bush can be 20 years. Some reports state that optimum yields occur in fields that are five to 10 years old. Using rudimentary cultivation techniques without fertilizer and other aids, a field may be optimally productive for as little as four years, the usual pattern for most coca growers.

Coca leaves can be picked from two to six times a year, depending on location and species. Alkaloid content varies widely from 0.75 to 2.1 percent and is largely dependent on environmental conditions. Yields differ somewhat from harvest to harvest and from country to country; leaves picked during the wet season (October-May) will be larger and yield more alkaloid than those picked in the dry season (May-September). The highest alkaloid content occurs in the wet season around December and is about 25 percent greater than in the March or September harvests, and two-thirds more than in June. Care must be taken during wet season harvests, however, to prevent leaf rot, which decreases the alkaloid content and the value of the leaf.

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without capital to develop large, modern facilities, are instituting some improved processing techniques that will assure higher cocaine alkaloid content in the finished product. The following techniques have been observed, but we do not know how widespread their uses are:

- *Drying sheds.* Drying leaves in small barns similar to tobacco sheds shortens drying time and reduces losses of cocaine alkaloid by as much as 30 percent.
- *Mechanization.* Mechanical dryers hasten the drying process and minimize the cocaine alkaloid loss that occurs when the moisture content in the leaves remains too high. A small processing lab in Colombia had a mechanical mulcher-grinder, which is a more efficient method of leaf maceration and one capable of leaching out more alkaloid than pounding by foot, according to DEA.
- *Mobile processing.* [redacted] paste processors in the area of Tingo Maria, Peru, drive to drying areas in pickup trucks equipped with plastic tanks for use in the maceration process. Rather than scooping precipitate from the usual maceration pits in the ground alongside drying areas and straining it through cloth, the precipitating solution is drained from the bottom of the tank.
- *Chemical selectivity.* Processors are becoming more selective about the kerosene they use to make paste. Sulphur content is a factor in the amount of alkaloid that can be extracted, and processors in Peru are showing a preference for the low-sulphur-content kerosene produced in Tingo Maria over the kerosene from Cusco or Lima.
- *Processing fresh leaf.* Cocaine processors in Bolivia and Colombia are converting freshly picked leaves into coca paste, thus eliminating the drying stage. The newly harvested leaves are mulched by hand or in a grinder and processed immediately. This procedure reduces the alkaloid loss that occurs when leaves are dried before processing. [redacted]

Law enforcement authorities have discovered some large, highly sophisticated processing facilities. A

Processing Losses

The lack of available data and samples for analysis makes it difficult to assess the losses incurred in the processing of coca leaf into cocaine hydrochloride and its intermediates. Yet we conclude that overall drying and processing inefficiencies are responsible for most of the cocaine losses suffered by illicit producers and traffickers. [redacted]

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[redacted] a cocaine loss of 60 to 80 percent in the process of extracting the cocaine alkaloid from coca leaves in Peru. Cocaine losses in Bolivia and Colombia are less, perhaps only 50 to 60 percent. [redacted]

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[redacted] several principal steps in the extraction and conversion process account for most of the loss. The first of these steps is the drying process: the freshly picked leaves are spread in layers of two to three inches on concrete drying slabs in the sun for six to eight hours. Available data indicate an approximate 60-percent weight reduction during the drying process and an undetermined but associated loss in cocaine alkaloid content. Incomplete drying of the coca leaves early in the processing phase results in chemical destabilization of the cocaine alkaloid and accounts for some loss because it gives an end product of lesser quality with a shorter shelf life. As technology develops there should be less drying and more immediate processing of newly picked leaves.

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DEA officials believe that substantial losses also may be incurred when extracting coca paste from kerosene-soaked leaves. It is unlikely that processors are able to leach out all the available alkaloid by using one of the traditional unsophisticated methods, such as stirring leaves by hand, stepping on leaves, or merely soaking the leaves. Recovery of alkaloid precipitate from leaf extract mixed with sulfuric acid is also highly inefficient and probably accounts for a large percentage of the loss involved in cocaine processing. [redacted]

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Figure 7. Dozens of settling tanks (above) used in converting Peruvian and Bolivian base to cocaine hydrochloride were discovered at a clandestine laboratory in Tranquilandia, Colombia. One of the many processing buildings (below) destroyed in the March 1984 raid on this illegal complex.



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laboratory discovered in March 1984 in Tranquilandia, southeastern Colombia, contained electrical generators, drying tables with heat lamps, and numerous pieces of chemical processing equipment. Other similar but smaller sites were recently located near Leticia in southeastern Colombia. [redacted]

some processors are importing trained European chemists to oversee their operations, and some major traffickers are sending their sons to universities to learn how to improve refining efficiency. (See table 4 at back of book for production steps.) [redacted]

Trafficking: Strengthening Through Organization

The most sophisticated—and most significant—innovations are being made farther along the trafficking chain. The major traffickers are developing increasingly efficient and resilient organizations for getting their illicit products to market. Mounting pressures of enforcement, competition from independent small-scale operators, and the requirements of servicing a worldwide market seem to be stimulating the evolution of trafficking “conglomerates.” [redacted]

Vertical Integration

[redacted] major Colombian organizations have integrated growing, processing, transporting, and marketing into large vertical organizations held together by family ties. This began in the late 1970s as an attempt to counter the rising bargaining power of Bolivian and Peruvian paste brokers and the increasing demands of independent processors and pilots. The big traffickers became involved directly in coca cultivation, first in the Llanos region of Colombia, then in Peru and Bolivia, and now probably in neighboring countries such as Ecuador and Brazil. At the same time, traffickers began to extend their control over additional aspects of the refining and distribution process, which eliminated profit taking by independent middlemen, provided better assurance of supply and more leverage in the market, and reduced financial risk. These large, integrated operations could better utilize sophisticated communications, provide intelligence up and down the trafficking chain, and more effectively bribe or corrupt key officials. The heads of these large-scale, integrated organizations have a better awareness of the dynamics

of the world market and an understanding of antinarcotics activities that improves their ability to identify and react to changes in demand as well as law enforcement. [redacted]

A Cocaine Cartel

Reports on the narcotics situation in Colombia frequently refer to a “Medellin Cartel” or “Cocaine Cartel” when discussing the activities of the large Colombian cocaine trafficking organizations. Although the formal organizational structure of a classic business cartel almost certainly is lacking, competition among Colombian cocaine trafficking groups appears to have been all but eliminated in the marketplace and drastically reduced in procurement activities. Moreover, consolidated shipments strongly imply the existence of a parallel consolidated financial structure. Leading Medellin traffickers frequently meet to discuss matters of mutual interest, and relations among them are relatively amicable, according to DEA agent reports. Issues reportedly discussed include:

- Opposition to US extradition requests.
- Ways to counter interdiction and drug enforcement.
- Consolidation of multikilogram drug shipments.
- Construction and operation of processing laboratories and clandestine airstrips.
- Acquisition and storage of essential processing chemicals.
- Public relations campaigns to influence attitudes about cocaine trafficking. [redacted]

[redacted] specific instances of operational cooperation by these traffickers. Among these are:

- A meeting in 1984 between the major Medellin traffickers and Colombia’s attorney general in which the drug dealers sought an arrangement with the government that would grant amnesty to repentant drug traffickers. They offered to cease illegal drug operations and to help pay off the country’s foreign debt in exchange for immunity from extradition or prosecution and the right to bring their profits into the country without penalty.

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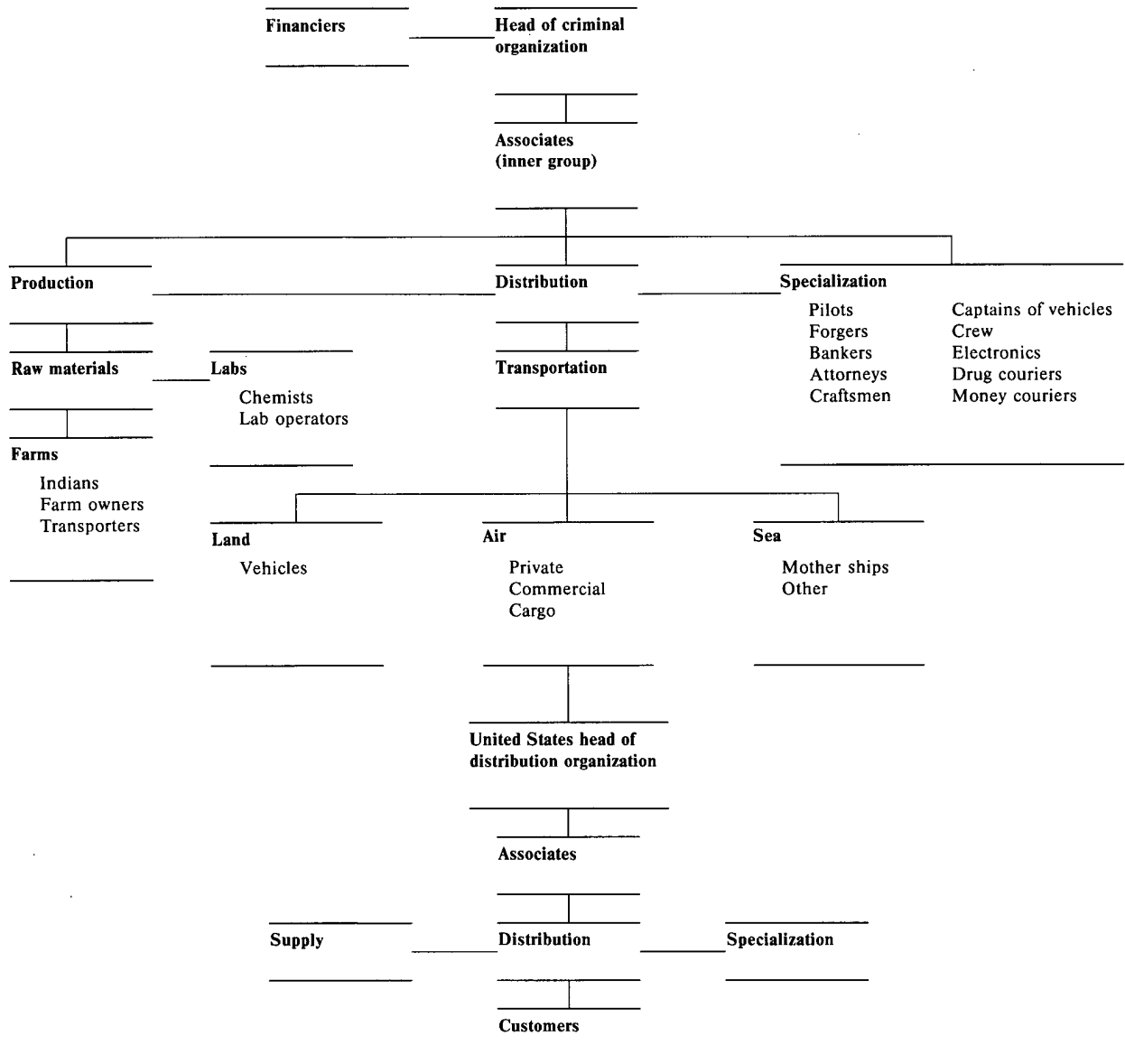
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**Figure 8
Model Trafficking Organization**



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- In June 1984 Panamanian authorities destroyed a multimillion-dollar cocaine processing laboratory under construction by a group of Medellin traffickers. We judge that Colombian enforcement efforts probably motivated traffickers to agree to share the costs of this project.
- In October 1984 the commander of the Colombian antinarcotics police obtained information that the major traffickers had pooled a large reserve of cash to be used for "retaliatory purposes" after the first Colombian national was extradited to the United States. [redacted] Colombian drug kingpins have offered cash rewards for the kidnapping of a high-level US drug official. [redacted]

Expanding the Marketplace

Traffickers have adopted a number of strategies to cope with the cocaine output that has resulted from expanded growing areas, improved yields, and increased processing efficiency. Lower prices have enabled the predominantly Colombian distribution networks to attract younger, less affluent, but far more numerous consumers in the United States and Canada. [redacted] Colombian traffickers in Europe are selling cocaine refined from inferior coca at a reduced price to develop the market there. Experts quoted in the British press claim that cocaine smuggling into Western Europe during 1984 was three times that of 1983. Officials in Spain, France, West Germany, and the Netherlands have expressed alarm at the rising cocaine abuse and the associated influx of criminal trafficking elements. Cocaine also is reported to be gaining popularity in Nigeria, South Africa, Australia, and Japan. [redacted]

The cocaine producers are developing products for less affluent markets closer to home and in the United States. Traffickers are marketing toxic cigarettes containing semirefined coca paste or base—intermediate products of the initial stages in the cocaine hydrochloride refining process—among the urban populations of South America and in US cities, such as Miami, New York, and Los Angeles. These drug products sell for much less than cocaine. They cost little to produce because they do not entail all the chemical inputs, and, if sold in South America, avoid the transportation costs and interdiction risks of cocaine exports abroad. [redacted]

Sophistication in Shipping

As enforcement intensifies, large traffickers are demonstrating creativity in developing new routes and methods for smuggling cocaine. In response to stepped-up air and maritime interdiction of private aircraft and vessels, DEA, Customs, and the Coast Guard report that traffickers are increasingly resorting to commercial cargo carriers. The large volume and variety of products exported by air and sea from Latin America—flowers, clothing, handicrafts, sporting goods, vehicles, and machinery—provide opportunities for traffickers to conceal cocaine within legitimate cargos. [redacted]

Some Colombian shipyards specialize in the construction of difficult-to-detect false compartments for stowing large volumes of illicit goods, [redacted]. [redacted] Sometimes traffickers use products expressly fabricated to hide cocaine, such as the hollowed-out machine pulleys recently unloaded from an Aero Peru plane in Miami. Shippers and import-export middlemen realize they run little risk of being associated with the illegal contraband if a shipment is interdicted, a considerable incentive to their cooperation. [redacted]

Some traffickers try to reduce transportation expenses by consolidating shipments of cocaine. [redacted] that several traffickers frequently pool their activities into multikilogram loads that are more efficient than smaller, individual shipments. Consolidated shipments also help protect traffickers' anonymity because ownership is identified only by coded markings on the packaging. [redacted]

The practice of group shipments has led to an insurance system among these large trafficking organizations to protect against losses from seizure, theft, or mishap, [redacted]. The insurer, usually a large Medellin trafficker, underwrites the shipment for a 15- to 20-percent fee. [redacted] report that in August 1983 a large cocaine shipment worth \$9,000 per kilogram (kg) on Colombia's northern coast was insured at a cost of \$2,000 per kg. Upon

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notification of seizure in Florida the insurer duly reimbursed each shipper in cash or its equivalent in cocaine. [redacted]

Traffickers also adjust to changing interdiction patterns. South Florida—in particular Miami—has long been the principal US port of entry and distribution center for smuggled goods. It has everything a cocaine trafficker could want: a long coastline, geographic proximity to South America, a large Latin population, frequent international commercial air and maritime service, a well-developed banking system and services, and repair and service facilities for aircraft and boats. In response to intensified interdiction efforts in Florida and its adjacent waters, traffickers are shifting more shipments to air and land routes across Mexico and farther north along the US coasts via the eastern Caribbean. More circuitous routes through Canada and Europe to the United States are used occasionally and may become more popular. [redacted]

Keeping Up Supply

We do not expect the increased supply of cocaine—because of expanded cultivation, enhanced processing efficiency, and innovative smuggling, as well as organizational improvement on the part of the traffickers—will lead to a glut and a precipitate drop in prices or profits. Opening markets in new countries, such as Australia and in Western Europe, is well under way and unless public policy and attitudes change, we expect these markets to expand steadily in the near future. Much of the expanded supply of cocaine will go to establish and service these new customers. The initial stages of market development involve the popularization of cocaine among a potential user community unfamiliar with the substance, often using low-priced come-ons and occasionally even “giveaways.” [redacted]

The shift from small individual shipments to multi-kilogram consignments means greater losses per seizure and that some of the expanded supply will be needed to cover increased losses. The relative simplicity of cocaine processing, combined with the fact that coca leaves can be harvested when needed, facilitates the trafficker’s task in replacing lost shipments as long as he has the financial resources. The drug can be literally stored on the bush, unlike opium or

marijuana, which must be harvested when the crop matures and stockpiled in a processed or semiprocessed state. A major trafficker with ready access to growers and processing facilities could make up a lost shipment in a short time. [redacted]

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Drug Control Efforts: An Uphill Battle

The intensity and effectiveness of the South American governments’ drug control programs directed against the illegal cocaine trade vary greatly, ranging from Colombia’s, which pressures traffickers to adjust their operations, to Bolivia’s, which gives virtually free rein to the traffickers. Although drug control efforts encompass a combination of enforcement, demand reduction, and economic development programs, most South American governments have concentrated their limited resources on cocaine interdiction, which is politically more palatable to some governments than cracking down on small-time coca growers and peasant farmers. Eradication campaigns, if undertaken in conjunction with economic development, and crop substitution programs promise a long-term solution, but such comprehensive approaches are difficult to administer and costly to implement. [redacted]

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Interdiction

The lack of government control over—and sometimes even familiarity with—the drug-producing areas impedes interdiction. Geography favors the traffickers, who have converted the various river, road, and trail networks into an intricate—and, to the outsider, confusing—maze. South American drug enforcement personnel cannot adequately cover all of the cultivation, production, and trafficking areas, and thus tend to concentrate their efforts on transportation choke points or the major cultivation areas. In Peru and Colombia, current strategy calls for the establishment of base camps in the heart of the trafficking regions from which patrols can be mounted. Authorities hope this network of base camps will help return control of these regions to the government. [redacted]

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One Country's War on Drugs

The assassination of Colombia's Minister of Justice Rodrigo Lara Bonilla on 30 April 1984 prompted President Betancur to launch an unprecedented crackdown on narcotics traffickers and to declare a "state of siege." The President was personally outraged by the killing. This outrage was reinforced by the high-pitched public reaction, embarrassment over the harm done to Colombia's international image, and a desire to demonstrate strong leadership and rebut opponents' criticism that weak executive support for Lara's drug program contributed to his death. Betancur's initial actions included:

- *Publicly declaring war on drug traffickers.*
- *Reversing opposition to the extradition of Colombian nationals.*
- *Declaring a countrywide "state of siege"—the 11th since 1948—that sanctions armed forces involvement in drug control activities, places narcotics cases under military court jurisdiction, and severely limits freedom of travel and assembly. In late 1985, however, narcotics cases were again tried in civilian courts.*
- *Ordering widespread arrests of narcotics traffickers and raids on their property.*
- *Strengthening existing antinarcotics statutes to give authorities sweeping powers to seize both traffickers and their assets.* []

The drug crackdown has disrupted Colombian trafficking activities. Small traffickers have suffered the most; the major drug kingpins have fled the country to avoid the possibility of extradition. They continue to oversee their Colombian operations, however, and have accelerated expansion and relocation into neighboring countries where the drug enforcement environment is safer. []

Eradication

Colombia, Peru, Ecuador, Brazil, and recently Venezuela have coca eradication programs, but achievements have been spotty. Present technology requires a complement of intensive manpower resources to physically extract the plant because aerially sprayed herbicides kill only the plant's leaves. Until an environmentally safe, effective herbicide is available for use on coca bushes, eradication efforts will be unable to keep pace with present rates of expansion in coca cultivation. Even limited eradication programs, however, will serve to keep the pressure on growers and traffickers and help disrupt operations. []

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Peru eradicated about 3,800 of the 6,000 hectares targeted for 1985—a good record as coca eradication efforts go, but an insignificant amount when measured against a cultivated area of perhaps as much as 140,000 hectares. Violence against eradication workers and the lack of Army support in the Upper Huallaga River Valley have hampered progress. Bolivia's "voluntary eradication" has been delayed by a lack of police protection in the Chapare and by disruptive activities on the part of growers and traffickers. This manual eradication program—which has accomplished little to date—had a 1985 elimination goal of 4,000 of the 34,000 hectares we estimate to be under cultivation. []

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La Paz began manual coca eradication in December 1985 in some new and still small growing areas. []

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Colombia, in addition to the ongoing manual eradication efforts, is testing six herbicides in the Llanos growing region with US Department of Agriculture (USDA) assistance. Garlon-4 promises to be effective against the hardy coca bush. The tests have been successful enough that a trial eradication effort was begun in December 1985. Ecuador conducted several eradication operations in 1985, the last one in cooperation with Colombia along the Putumayo River. The Brazilian police have conducted several coca eradication operations since late 1983 in the upper Amazon Basin, and the US Embassy in Brasilia estimates that more than 800 tons of coca leaf have been destroyed.

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Table 2
Eradication Techniques

Method	Resources Needed	Advantages	Disadvantages
Uproot plant	Large labor force	100 percent effective; no health or environmental hazards.	Time-consuming; difficult in areas far removed from major transportation routes.
Cut plant off at ground level	Large labor force; machetes	No health or environmental hazards.	Same as uprooting plant; plant renews growth the following crop season.
Treat base of plant chemically	Spray tanks; systemic herbicides (glyphosate; 2, 4-D)	Less labor than uprooting/cutting; limited environmental hazard.	Leaves can be used several days after application; some chemical release to environment.
Aerial spraying	Aircraft; appropriate chemicals (see basal treatment)	Least time-consuming or labor intensive of all methods; able to reach remote areas easily; most cost effective.	Chemical release to environment with varying residual times in soil. Chemical drift may cause: destruction of surrounding stabilizing vegetation, resulting in erosion; destruction of other cash or subsistence crops; greater public opposition.

[REDACTED]

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Venezuela adopted an eradication program after recent confirmation of coca fields along the Colombian border. [REDACTED]

issue because of concern about health and environmental risks. Effective eradication programs also depend on availability of chemicals that destroy coca bushes with little or no damage to the surrounding vegetation and environment, hence the importance of the Colombian test program. [REDACTED]

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A range of factors limits the effectiveness of manual eradication. Many coca fields are inaccessible from major roads or other transportation routes, and the large labor force required for direct application of herbicides or manual plant destruction is difficult to recruit because of the violent action traffickers have taken against eradication personnel. Violence against local and foreign government officials and citizens who support eradication also deters effective implementation. [REDACTED]

Crop Substitution

The expanding international cocaine market continues to keep the profitability of illicit coca far above that of substitute crops. This high profitability substantially undercuts the impact of crop substitution programs, particularly when enforcement is weak. Declining world market prices for potential alternative commercial crops, such as tea, bananas, cacao, corn, and citrus, make the problem worse. According to USDA officials, the failure of many crop substitution programs is also caused by the lack of developed markets for an alternative crop before cultivation begins. Beyond this, coca's physiological and morphological properties enable it to grow in very poor soils,

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To assure eradication of a coca bush, the roots must be killed or dug up, but most methods merely cut the plant off at ground level or use herbicides that damage only the upper plant. Bushes sprayed with paraquat, for example, can still be harvested up to three days after spraying and will leaf out again in a few days. The most cost-effective means of applying herbicides—aerial spraying—is a politically sensitive

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make it resistant to many diseases and pests, and allow it to adapt more readily to environmental conditions than most substitute crops. The USDA believes well-drained soil and the absence of frost are the principal factors in coca growth; rainfall and soil characteristics are of secondary importance. [redacted] only coca can grow well in the porous soils in the Yungas region of Bolivia. [redacted]

Coca growers view crop substitution programs as socially and economically destructive because proposed alternative crops are not feasible replacements for coca. Some Peruvian agricultural scientists reportedly believe crop substitution programs are poorly managed and that technical advisers lack the knowledge and training necessary to address the unique problems confronting Peruvian farmers. [redacted] the local government personnel involved in establishing crop substitution programs are frequently reluctant to implement them because of the lack of support from corrupt officials and the threat of violence by powerful traffickers. The murder of a group of Peruvian eradication workers in 1984 dramatically reduced incentives for participating in any narcotics control efforts. [redacted]

Coca substitution projects aided by US funding are currently under way in Bolivia and Peru. In Bolivia, the Chapare Regional Development Project is attempting to reduce coca cultivation by improving varieties and yields of indigenous crops such as citrus, yucca, corn, pineapple, palm, and forest products; a followup program will introduce nonindigenous crops, including coffee, cacao, rubber, and bamboo as coca substitutes. In Peru, officials of the Special Project for the Upper Huallaga (PEAH) are continuing efforts to establish alternative crops such as corn, soybeans, coffee, tea, and rice. UN-funded crop substitution programs in Colombia and the Yungas region of Bolivia are in the planning stages, and a similar program in Peru is under consideration. In none of these cases, however, is there a credible enforcement "stick" to go with the substitution "carrot." [redacted]

Control of Chemicals

International controls on chemicals essential to the refining of cocaine have impeded traffickers, driving up the cost of doing business and forcing changes in

their operations. Some of the chemicals—gasoline, kerosene, and ammonia—are so common that control is virtually impossible, but for certain other chemicals the limited sources, narrow legitimate applications, and large volumes required make them vulnerable to government restrictions. A high consumption of acetone, for example, is difficult to justify except in some industrial applications. Another chemical essential to the final refining of cocaine hydrochloride—ethyl ether—has few licit uses outside the medical profession and the pharmaceutical industry. [redacted]

The ether used by Colombian traffickers for cocaine processing before 1983 was obtained largely from the United States and West Germany. Colombian import restrictions and a DEA program to control the sale of essential cocaine processing chemicals worldwide at the manufacturer level sharply reduced the availability of ether to the major processors in Colombia, causing its price on the illicit market to increase sharply. The price remains high despite the development of processing locations outside Colombia; alternate supply routes through Brazil, Venezuela, Argentina, and Paraguay; and new sources in Mexico and Brazil. Despite an intent to control, some countries, such as Brazil, have failed to commit sufficient funds to police the trade effectively. Others, such as Paraguay, facilitate questionable chemical transactions for their own gain, [redacted] DEA sources indicate traffickers are taking steps to establish front organizations to justify chemical imports and increasingly are moving final processing operations to places where chemicals are more available—including the United States. [redacted]

Demand Reduction and Public Awareness

Public education campaigns are another cornerstone of drug control efforts. Destroying the myth that drugs are solely the consuming nation's problem has become an important step in convincing source country governments that they also have a serious problem. To this end, a number of South American countries—Colombia, Bolivia, Ecuador, and Peru, for example—with US assistance have organized campaigns to instill in their people a clear understanding

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Aerial Surveys: Understanding the Problem

Aerial photographic surveys are essential to effectively estimate the amount of drugs under cultivation, especially in the major coca producing countries—Peru, Bolivia, and Colombia. Each country has a different capability to carry out aerial surveys, ranging from a sophisticated mapping agency in Colombia to almost nothing in Brazil, Ecuador, and Venezuela.

An aerial photographic survey should be implemented in phases. The initial phase is the compilation of a data base to determine the growing areas. High-altitude, conventional black-and-white photography or unclassified satellite imagery can be used to differentiate the agricultural from the nonagricultural areas and enable the government to concentrate on the areas most likely to grow coca. In the second phase, photographic surveys of the agricultural areas are flown with large-scale, color or color-infrared (CIR) film. At the same time, ground observations are made in areas of known cultivation. The ground photographs are compared with the aerial photography to establish photo interpretation keys for identifying coca fields. The third phase consists of followup missions to measure eradication, new cultivation, or recultivation.

A successful survey depends on technological and environmental factors, the overriding constraint being weather. All of the countries involved lie within 10 degrees north or south of the equator, where rainfall and cloud cover are abundant throughout most of the year. The best weather (relatively) coincides with the dry season, the time when aerial photographic missions must be flown.

The following is a brief description of current capabilities to conduct aerial surveys:

- *Colombia. The Institute Geographical Agostino Coddazi is responsible for all the photographic and mapping projects in Colombia. The institute is capable of planning, flying, analyzing, and publishing all phases of a mapping project and is probably*

the best in Latin America. Mapping requirements limit the amount of time the institute can devote to narcotics matters, however. The government flew one mission in 1983 that covered part of the marijuana-growing region in northern Colombia.

- *Peru. The Peruvian Navy flew a mission over the eastern portion of the Upper Huallaga Valley in August 1984 using CIR film. An additional mission over the western side of the valley was completed in 1985. A full-scale survey remains for the future; Peru has no processing capability for color or CIR film and must send the exposed film to the United States.*

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- *Bolivia. Several pilot projects have been undertaken by the US State Department's Bureau of International Narcotics Matters. From that study the area was sampled to estimate coca production. The Bolivian Air Force has the capability to conduct comprehensive aerial surveys, but it probably will not do so without massive US funding.*

- *Brazil, Ecuador, and Venezuela. These countries have no active aerial photographic surveys. A survey in Brazil would be expensive because of the size of the potential growing area. Furthermore, because much of the crop is believed to be grown among trees, an aerial survey may not provide a comprehensive understanding of the problem. Domestic budget constraints limit the ability to carry out aerial surveys.*

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It is doubtful whether the illicit coca producing countries have the wherewithal to undertake large and expensive surveys. Successful surveys will depend heavily on US funding to provide training, photographic equipment, film, and processing facilities. Regional cooperation is unlikely because each country would fear that another could use the information for intelligence or military purposes.

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of the danger unchecked drug trafficking poses to their societies. A recent US Information Service poll suggests many people in South America are beginning to identify the narcotics trade as a national problem. Obtaining widespread support is a long-term process, however, that is not expected to yield substantial short-term results although it may bolster those government officials able and willing to take a hard line against traffickers. [redacted]

Legal Reform

Short of catching a trafficker in actual possession of the drug, it is almost impossible to obtain a conviction in any Latin American country, partly because of the lack of conspiracy laws. Recently concluded US Embassy assessments of the Peruvian and Colombian legal systems indicate that, although major changes in their judicial, legal, and penal systems are unlikely, legislation could be passed to strengthen existing drug laws. Of particular interest are laws that allow seizure of assets of drug traffickers, and some South American governments are exploring these as the best way to attack the large trafficking organizations. Traffickers enter the drug business to acquire wealth and property, and depriving them of this is seen as the key to putting them out of business. [redacted]

In many cases, the courts are simply overwhelmed. The US Embassy recently assessed Ecuador's judicial system as suffering from insufficient budget support, poor professionalism among officials, a severe and mounting case backlog, reliance on rudimentary investigative techniques, and a constitutional diffusion of judicial power. Faced with severe budget constraints, the Ecuadoran Government shows no sign of giving judicial reform priority attention. In Peru, the Embassy reports that the constitution and legal codes provide an adequate formal framework, but problems of crowded court dockets, budget constraints, corruption, poor security, low-quality legal services, and public apathy impede the working of the system. Even when Colombia temporarily shifted responsibility to military courts during the "state of siege," it remained impossible in many cases to obtain sufficient evidence or witnesses against major narcotics figures; no one dared to testify. [redacted]

Expansion Into Neighboring Countries

The focus of control efforts in major producing countries over the past several years is causing coca growers, processors, and traffickers to expand their operations beyond the core areas in Peru, Bolivia, and Colombia. The high profits available from cocaine trafficking make it possible to absorb the large, short-term costs such moves entail. Transshipment routes—both for drugs and essential processing chemicals—have long been flexible links in the trafficking chain, but the traffickers also display remarkable capability to develop new sites for refining laboratories and new areas of cultivation. By moving operations into countries that have little previous experience in narcotics matters, the traffickers can take advantage of poor or no drug enforcement activities, lack of legal strictures on participation in drug-related activities, and official and popular apathy. [redacted]

We judge that without immediate effective action *Brazil* has high potential to become a major cocaine producing and trafficking country. Suppression operations in neighboring countries make the Upper Amazon—a largely uninhabited, virtually unpoliced region—increasingly inviting for cultivation, processing, and trafficking. Seizure statistics from Brazil suggest that all aspects of production and abuse have risen substantially in the last few years. DEA sources indicate that Colombians, Bolivians, Peruvians, and Brazilians are encouraging Amazonian Indians to cultivate "Epadu," the local variety of coca that is easily propagated among trees in the Amazon jungle. These reports have not been verified, and the traffickers would have to overcome some major logistic hurdles to set up operations in these areas. [redacted]

We do not know at present whether Brazilian coca is refined locally or shipped as leaf for processing in neighboring countries. We expect, however, that Brazil may become a popular processing site if raids on cocaine laboratories in Colombia continue and as

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chemicals needed to process the leaf become increasingly difficult to obtain there. As the leading chemical producer in South America, Brazil manufactures all the chemicals needed to process coca into cocaine. It also has a large and difficult-to-police transportation network based on the Amazon River. The tribal lands of the Indians are protected from law enforcement activities and thus would provide a sanctuary for the traffickers' operations. [redacted]

Brazil's antidrug program is in its infancy; public awareness about narcotics issues is low; and enforcement has been impeded by four years of recession and government austerity. The Justice Ministry, which is responsible for narcotics matters, has the smallest budget of any Brazilian agency, and its narcotics division has only 25 percent of the funds it needs to meet the greater enforcement requirements brought on by an expanding narcotics industry, according to US Embassy reporting. Brazil undertook some counternarcotics operations in 1984 including seizures, coca eradication in the Amazon region (entirely US-funded), and investigation of ethyl ether and acetone transactions; it also worked with Colombia to restrict cross-border shipments of essential chemicals. Brazil's present enforcement capabilities could not counter a well-organized cocaine industry. The largely reactive Federal Police force does not have sufficient resources to engage in long-term planning; the antinarcotics staff is small, nonspecialized, and poorly trained; and strong legal statutes against entrapment and failure to enforce application of conspiracy laws will hinder effective prosecution of traffickers. [redacted]

Argentina is assuming renewed importance as a transshipment and processing site. In the first 10 months of 1984, authorities seized 150 kilograms of cocaine—five times the average annual seizures for previous years, according to the US Embassy. Bolivian traffickers, concerned about potential suppression activities at home and seeking easier access to essential chemicals, have set up some processing facilities in the remote northwestern provinces of Argentina. DEA sources also indicate major cocaine smuggling organizations based in Colombia, Bolivia, and Peru have started using Argentina as a staging area for large cocaine shipments en route to the United States and Europe. This suggests that these organizations may

view Argentina as potentially more secure than other more established routes. Argentina has a reputation for lenient sentencing and little emphasis on narcotics enforcement. Enforcement agencies have parallel and overlapping jurisdictions and lack strong direction. The government has only just formed an interministerial committee to coordinate antinarcotics efforts—largely in reaction to the recent, growing activities of traffickers. [redacted]

According to DEA sources, Colombian traffickers have been seeking to establish both processing and cultivation sites across the border in *Panama's* heavily jungled Darien Province, apparently to escape increased enforcement at home. A large cocaine laboratory under construction was seized there in 1984, and the local press reports the presence of "huge" coca plots. In addition to its proximity to Colombia, Panama is particularly attractive to the drug trade because of its longstanding role as a center for money laundering and a transshipment point for drugs and chemicals. Because US currency is legal tender in Panama, there also are no foreign exchange restrictions on the private transfer of dollars, the currency of the drug industry. [redacted]

Paraguay also has excellent potential as a major cocaine processing site should intensified enforcement elsewhere make traffickers uncomfortable. It is already a significant transit route for essential chemicals, and cocaine laboratories in Paraguay recently have been reported by the US Embassy. A free trade zone between Paraguay and Brazil complicates efforts to control drugs and chemicals in transit. In September 1984 some 49,000 gallons of cocaine processing chemicals in transit from Brazil were seized and have not yet been disposed of satisfactorily, according to the US Embassy. We judge official corruption plays a major role. [redacted]

Despite a strong antinarcotics stance by *Venezuela's* current administration, backed by tough new drug laws largely inspired by fear of a spillover from Colombia, the amount of cocaine transiting the country continues to increase. Seizures were up in 1984 for

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the second year in a row, according to the US Embassy in Caracas. During the past year, coca was found in a greenhouse near the Colombian border and two refining laboratories were discovered. These were the first known processing sites in Venezuela and probably indicate that Colombian traffickers wanted to test the waters there. In March 1985 the Venezuelan National Guard discovered a plantation of about 12,000 coca bushes in the Maracaibo region along the border with Colombia. The coca, camouflaged by yucca and banana plants, was ready for processing; the necessary chemicals also were found nearby.

[redacted]

DEA sources say several cocaine laboratories have been seized in *Chile* since 1983. A government crackdown almost eliminated the once-thriving Chilean drug trade in the 1970s, but official corruption reportedly has been a factor in the recent comeback. According to press reports, Bolivians figure prominently in trafficking through Santiago, where one recently discovered ring was described as a "million dollar" cocaine operation.

[redacted]

Obstacles to Control

The growing and chewing of coca leaf is a local tradition dating to pre-Columbian times so that involvement in the coca industry does not raise the ethical or social issues among South Americans that influence other Western views of the narcotics trade. Moreover, although opinion may be shifting, many cocaine producing and trafficking countries still believe that illicit production is more beneficial than harmful to their national economy, and this works against effective control programs. Most coca producing and processing operations also occur in areas largely outside the control of central governments, and local populations benefit from the drug trade, making licit agriculture less attractive. Many small businessmen, from bankers to agricultural supply salesmen, benefit from the prosperity brought by the illegal cocaine trade. Drug money buys protection from enforcement and prosecution, reducing the risks of involvement in an illegal trade and at the same time creating another group of people dependent on the drug trade.

[redacted]

Profits Still Outweigh Losses

The international trafficking of cocaine probably is one of the most profitable illicit economic enterprises in the world today. In spite of increased chemical and other production costs and record low US wholesale prices for cocaine, profits are still tremendous. As little as \$300 will purchase enough coca leaf from a peasant farmer in Peru or Bolivia to produce 1 kg of cocaine base, which can be sold for \$2,000 to \$3,000. After further processing, 1 kg of base yields about 1 kg of cocaine hydrochloride—worth \$8,000 to \$12,000 in Colombia and \$25,000 to \$40,000 in the United States.

[redacted]

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Profits are highest for those running the greatest risk—exporters and wholesalers, mostly Colombians, in the United States. A report about a well-known Medellin trafficker illustrates the size of these profits. Upon learning that his shipment of 400 kg of cocaine hydrochloride had been seized in Florida, he told associates that his personal business losses—including processing and transportation costs—were \$4,500 per kg. On the basis of current prices, he would have received about \$30,000 per kg wholesale in Florida, making his return on the investment almost 700 percent.

[redacted]

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A wide variety of people benefit from the cocaine trade, not only the few at the top. US Customs officials report cocaine trafficking often involves large trade conspiracies that include exporters, freight forwarders, truckers, servicers, brokers, consignees, airline personnel, warehouse workers, and security personnel—each getting a cut. Corrupt officials all along the chain further expand the circle of drug money beneficiaries. Describing their investigation of a smuggling operation using the Colombian flower trade as a cover, US Customs officers noted that organizers bought, intimidated, or coerced others into cooperation in their operation. In most cases, recruitment was simple because poorly paid laborers chose the added financial reward without regard to the legal consequences. A typical cargo handler in Colombia earning approximately \$220 per month could supplement his income with an additional \$1,200 to \$5,000 by handling flower boxes containing cocaine.

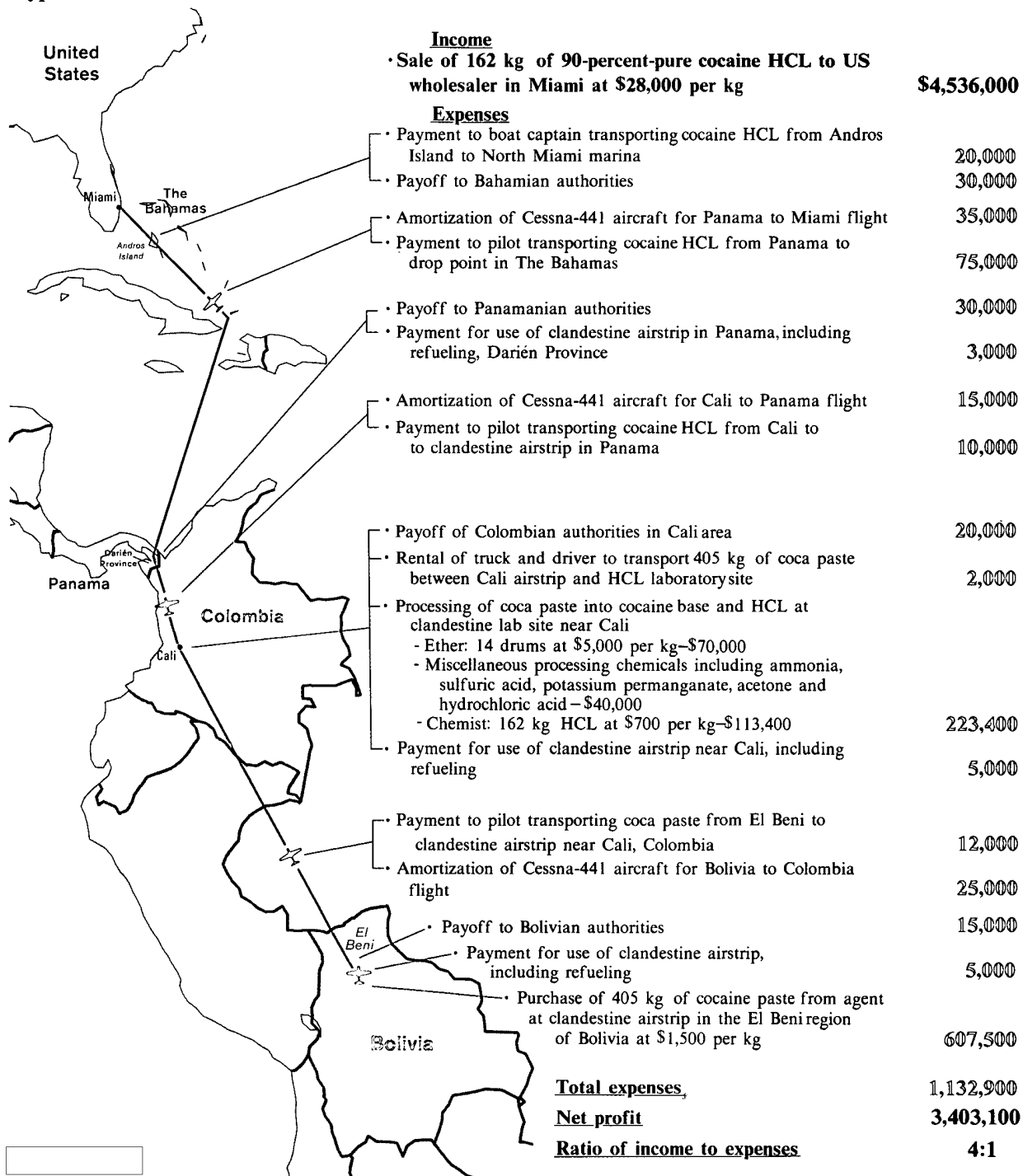
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Figure 9
Hypothetical 1984 Income Statement of Colombian Cocaine Trafficker



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Figure 10. Medellin, Colombia. Though we believe much of the money obtained through illicit cocaine sales is kept in offshore banks, some of it is used to finance real estate and other investments in the country where the traffickers operate. Drug revenues are believed to be largely responsible for the current high-rise office and residential construction boom in Medellin.

The money available from the illegal cocaine trade allows all involved to enjoy an improved standard of living. The wealth of the leading cocaine entrepreneurs is most obvious because of their conspicuous consumption. Major traffickers in Medellin, Barranquilla, and Cali in Colombia, and Santa Cruz, Bolivia, use their enormous profits to purchase lavish homes, ranches, apartments, vacation villas, luxury automobiles, airplanes, and yachts. Many also have extensive holdings in real estate and other investments in many countries.

The benefits also trickle down. DEA country agents report that many small laboratory operators and paste brokers also enjoy lifestyles considerably better than they could otherwise achieve. The money earned from illicit coca cultivation improves living standards in some rural areas of South America. According to US Agency for International Development officials, supplementing their income from coca allows farmers to continue growing essential but less profitable food crops—corn, rice, bananas, and yucca. Record books show that the lowest order of workers, paid on a piece-rate basis, can collect three arrobas (about 34 kg) of coca leaves per day and earn about \$10 to \$20, as compared with the \$3 to \$6 normally earned from picking other crops. The coca growers can thus afford popular electronic gadgetry such as radios, televisions,

Table 3
 Crop Yield/Income:
 Upper Huallaga Valley, Peru, 1984

	Yield/Hectare (kilogram)	Estimated Income (US \$)
Coca leaf	1,000	
Illicit		1,800-2,400
Licit		900-1,200
Cacao	500-600	750-900
Rice	4,000	750
Corn	2,000	260

and cassette players; consumables such as canned foods; improved housing; bicycles, motorbikes, automobiles, and pickup trucks.

We suspect that the power and longevity of the illegal narcotics trade in some countries may confer on it a quasi-legitimate status in the eyes of many people. Some major traffickers are seen as Robin Hood figures by campesinos who also benefit from the trade, and rural communities protect such kingpins from government drug sweeps.

A letter from fugitive trafficker Carlos Lehder to President Betancur was published in a Bogota newspaper expressing outrage over the humiliation Colombia suffered because of the extradition treaty with the United States. Even journalists receiving no known benefit from narcotics trafficking sometimes romanticize the successful trafficker as "astute, calculating . . . a special kind of person, who makes a game out of danger."

The judicious use of some of their profits for political and media operations has enabled traffickers to undermine control programs and sometimes to prevent governments from taking action. Coca producers and

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traffickers in Bolivia have organized themselves into a front group ostensibly representing labor and other legitimate interest groups to lobby against government narcotics control measures. Narcotics money is also quietly invested in legitimate businesses, such as the major drug-financed holdings in Colombian hotels

Such tactics could give drug elements significant power in the legitimate economy that could provide political leverage against government drug programs.

[redacted]

We have reports that traffickers have banded together to promise the governments of some coca producing countries enormous sums of money in return for amnesty and the right to bring their profits home without penalty. Thus far, the offers have been rejected, but it is indicative that holding such meetings was approved at the highest levels of government, according to principals involved. One such meeting occurred between the president of Bolivia's National Council Against Drug Trafficking and "Cocaine King" Roberto Suarez Gomez in June 1983. Colombia's attorney general met on the same issue with a group of major traffickers in Panama in May 1984.

Political and Practical Constraints

Governments face political and practical constraints in instituting vigorous drug control programs. Poor economic performance, challenges by leftist insurgents, and the perennial problem of staying in power in a volatile political environment compete for the attention of national leaders in the major coca growing and trafficking countries. Narcotics programs generally receive lower priority than any of these other issues. Leaders are hesitant to institute eradication programs that will eliminate the most lucrative crop, bring appeals for aid from already tight government budgets, and risk creating a disaffected rural population susceptible to insurgent propaganda. At the same time, traffickers use their profits to undercut action by corrupting or intimidating civilian and military officials.

According to assessments by US financial institutions and embassies, the illicit coca producing countries face budget constraints that make it difficult to increase government expenditures for drug programs.

In Peru, serious financial difficulties will continue to limit government antinarcotics efforts regardless of the intent of the Garcia administration. The 1986 draft budget for Peru calls for increased austerity and even less spending than in 1985. Under these tight financial circumstances, most of Peru's budget will go toward debt service, countering worsening economic problems, and increasing military expenditures to fight the insurgency threat.

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Although we judge only a small fraction of the enormous revenues from the cocaine trade flows back to source countries, we suspect that what does return helps shelter some local and regional economies from the impact of economic depression. As a result, local officials would be reluctant to crack down in bad economic times. Peru, Bolivia, and Colombia lack the resources needed to cushion the economic and political impact in rural areas of a shutdown of the cocaine trade.

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Narcotics traffickers exploit these concerns. Drug suppression programs alienate campesinos. Where chewing coca leaf is part of the cultural heritage and its cultivation is either legal—as in parts of Bolivia—or permitted under the theoretical control of a national monopoly—as in Peru—the political problems of suppression are compounded. Traffickers in Bolivia have infiltrated campesino organizations to encourage protests against crop reduction plans and even to stimulate an increase in cultivation.

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In response to the security and antinarcotics campaign in the Chapare region in 1984, the rural population blockaded highways, staged a hunger strike, and accused government forces of "human rights violations, excesses, and abuses" in widely reported statements to the press. Getting on the bandwagon, leaders of Bolivia's powerful labor movement—representing more than 40 union organizations claiming more than 25,000 agricultural workers among their members—successfully forced the government to withdraw and provide compensation.

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Peru and Colombia, which have active insurgencies, must take into account that aggressive antinarcotics

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operations without rural development could cause increased rural disaffection with the government. [redacted]

[redacted]

With the exception of the recent state of siege in Colombia, all South American countries depend on police forces to implement eradication and interdiction operations. These forces are poorly trained and equipped for their task, as compared with the military forces engaged in similar counterinsurgent and security operations. [redacted]

In Peru, counterinsurgent operations take priority over antinarcotics activities and over police antinarcotics operations, which can also suffer from military interference. The US Embassy reported that, during counterinsurgent operations in the Upper Huallaga, the military commander confined the mobile narcotics police to their barracks, leading indirectly to the slaying of unprotected eradication personnel. [redacted]

[redacted] the military avoids confrontation with traffickers to avert the possibility that traffickers might join forces with insurgents against a common military enemy. The military even uses contacts with narcotics traffickers to develop information on the whereabouts of insurgents. [redacted]

[redacted] Senior Colombian military attaches posted to Washington say the military mission, as they see it, is to pursue insurgents, not to waste resources fighting drugs. They argue that guerrillas would like nothing better than to see the military deeply involved in antinarcotics operations because it would reduce pressure on the insurgents. [redacted]

Reports from several countries indicate that the military forces generally denigrate police units and their personnel and do not like working with them. As expressed by a Peruvian regional commander, the Army's primary role in joint operations is to assure that the antinarcotics police refrain from extorting the local citizenry. In a statement that could characterize police forces throughout the region, [redacted]

[redacted]

poorly led, ill-equipped, and inept force not held in high esteem by the public. Obsolete arms, poor communications, and lack of mobility limit their effectiveness. In a recent meeting with US Embassy officials, Colombia's Minister of Justice expressed his opinion that the traffickers' "army" of at least 2,000 well-armed men in his country is more powerful and efficient than the government security forces arrayed against them. We believe the same is also true for Bolivia. [redacted]

Corruption Undermines Effectiveness

The money available to drug traffickers assures a level of corruption, especially at the local level, that undercuts national counternarcotics programs. [redacted]

[redacted]

[redacted] A Colombian Navy lieutenant reportedly was arrested in January 1985 for passing confidential information to traffickers concerning ship positions during a major interdiction effort. Special narcotics police are particular targets of drug traffickers. [redacted]

after remaining relatively clean for the first few months of the Siles government, Bolivian narcotics police succumbed to temptation—a turn of events described as "perhaps inevitable." President Victor Paz Estenssoro, who took office in August 1984, has pledged to eliminate such corruption, but the political and law enforcement hierarchies remain vulnerable to influence buying by wealthy traffickers. [redacted]

Traffickers do not rely exclusively on the greed of targeted officials, but rather use a highly effective carrot-and-stick approach. [redacted]

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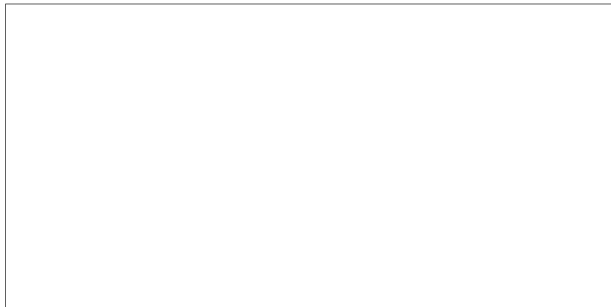
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Salta Province who, along with a federal senator and several provincial officials, is linked to a major Bolivian drug ring, according to DEA sources.

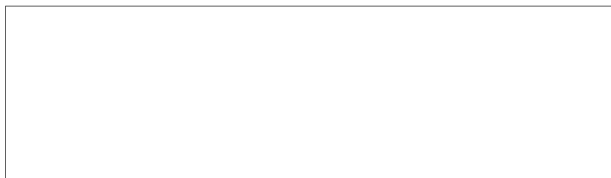
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Traffickers ensure that their money buys acquiescence above the field enforcement level as well. Cases throughout the region demonstrate the point:

- The chief of Quito's National Police unit has pointed publicly to the existence of ties between traffickers and Ecuadorean political figures, including members of congress.

- President Garcia of Peru recently fired 37 generals in the Peruvian high command as well as several commanders of the police's narcotics division for corruption. In one instance, Peruvian Army helicopters were being used to transport coca paste to clandestine airfields for forward shipment to refining sites. Moreover, Peru's Civil Guard, responsible for narcotics interdiction and enforcement, is one of the most corrupt law enforcement organizations in the country, [redacted]

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There is no evidence of high-level military or civilian complicity in drug trafficking in Brazil. Serious economic difficulties exist, however, and the administration has imposed austerity measures that will cause cuts in many government activities. Under these circumstances, the temptation to indulge in narcotics trafficking or to receive bribes may overcome Brazilian officials. [redacted]

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- Even after the end of the infamous Garcia Meza regime—in which government officials actively participated in the drug trade—allegations of corruption surfaced against members of former Bolivian President Siles's administration up to the cabinet level. It is not yet clear whether President Paz Estenssoro will be able to carry out his pledge to eliminate such corruption.

Some military leaders in South America resist an antinarcotics role for their forces precisely because they fear their men will fall prey to corruption.

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- Paraguayan military and civilian officials historically have participated in a wide range of smuggling, which increasingly includes drug trafficking. [redacted]

[redacted] Ecuador's military officers typically eschew drug suppression because they are afraid that their subordinates will succumb to corruption, as have the police. Peru's military leaders in September 1984 recommended to President Belaunde a major force withdrawal from the Upper Huallaga Valley because frequent contact with traffickers there was resulting in the corruption of underpaid Army troops. Although the problem is greatest at the bottom, corruption is found at all levels. Field-grade Bolivian officers continue to benefit from drug payoffs, perpetuating the ties to traffickers established under previous military regimes. [redacted]

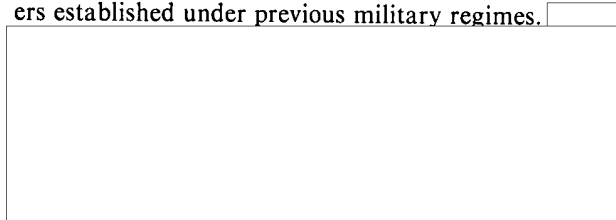
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[redacted] leading military officers provide protection for narcotics operations and engage in trafficking themselves. According to US Embassy reporting, major private traffickers are immune to prosecution because of their political, financial, and family connections with Paraguayan officials.

- Effective drug enforcement in Argentina is hampered by official complicity in the drug business. The best documented case involves the Governor of



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Corruption and intimidation are particularly evident in the courtroom. The local press is filled with stories of the power of narcotics money to corrupt judicial officials. Seized drugs disappear, traffickers vanish in transit between prison facilities, and entire case records are "lost." Preferential treatment, such as special food and permission to leave prison at night, is commonplace. A Peruvian newspaper described a "golden prison" where, on a judge's recommendation, incarcerated traffickers declared "ill" enjoy a hospital atmosphere, family visits, and conditions typical of a private clinic. In Bolivia, the press claims that most drug traffickers do not serve their full sentences, but rather leave prison with simple medical certificates in hand. Although such accounts undoubtedly cause a degree of public indignation, they also demonstrate to the public the strength of major traffickers. [redacted]

Lessons Learned

We anticipate that illegal cocaine trafficking in Peru, Bolivia, Colombia, and some of the adjoining countries will continue to expand over the short term, and as it does public and official indignation could be provoked, leading to more serious attempts at narcotics control. Growing awareness of domestic drug use, insurgent involvement, drug-related violence and corruption, and the political and economic influence of major traffickers could impel authorities to greater action across the board. Before any intensified control measures can begin, there has to be public support; there are signs that some Latin Americans now recognize illegal narcotics production and trafficking as a national problem. In a recent US Information Service public opinion survey conducted among the urban populations in Bolivia, Brazil, Colombia, Costa Rica, and Venezuela, participants from Bolivia, Colombia, and Venezuela selected international narcotics as the second most important international problem after foreign debt. This is just a beginning, however, and getting the rural population on board may be another matter. [redacted]

[redacted] not only do the campesinos of Peru's Upper Huallaga Valley see coca eradication as a North American imperialist effort to bring about the economic and social demise of the region, but, more important, most of the military personnel posted there

share the anti-US sentiment and oppose participating in narcotics control. [redacted]

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Domestic Abuse

The rising domestic abuse of coca products, which has reached serious proportions in the cities of some coca producing countries, is focusing attention on narcotics as a serious national health problem. [redacted]

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[redacted] Colombia is already on the verge of an uncontrollable epidemic of drug abuse among its youth. Colombia's Minister of Health claims 600,000 persons under 18 regularly smoke cheap coca paste cigarettes. This paste can contain impurities, such as caustic soda, sulfuric acid, and kerosene, and users run the risk of permanent brain damage after only one try. Abuse of refined coca products was unheard of a few years ago in traditional coca leaf chewing countries. Today, authorities estimate there are more than 150,000 users of cocaine products in Peru and 40,000 to 60,000 habitual smokers of paste in Bolivia—and the numbers are growing rapidly. Evidence that drug abuse is no longer exclusively a foreign problem should help impel South American governments to enact enforcement programs for domestic reasons. [redacted]

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Violence

Even in societies inured to violence, certain acts still have the capacity to arouse outrage and spur increased government action. The murder of Colombia's Minister of Justice in April 1984 had such an effect. The military "state of siege" subsequently proclaimed by President Betancur and the reversal of his resistance to extradition drove major traffickers into exile and disrupted drug operations. Traffickers have responded to heightened antinarcotics efforts with increased violence and threats, including death threats, against heads of state and foreign diplomatic personnel. These have been luridly reported by the local press, demonstrating to a broader segment of the population the domestic consequences of an entrenched drug industry. [redacted]

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Challenge to the Establishment

Some evidence suggests the traditional economic and political elites in the illicit coca producing countries

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are growing uneasy at the ability of cocaine traffickers to buy influence, status, and position. Even though most large traffickers keep much of their wealth offshore, they also invest in legitimate businesses at home as part of their quest for respectability. Newly rich major traffickers can easily acquire all of the trappings of the ruling class. The great wealth of the drug kingpins enables them to dominate some enterprises, and recognition of this fact could lead the traditional establishment to try to curtail their power.

[redacted]

The key to greater government commitment to narcotics control may well be accelerating an appreciation by influential opinion makers—political leaders, cabinet ministers, church officials, labor leaders, media figures—of the negative effects of a narcotics industry. A number of public information drug awareness programs—some with US assistance—are already under way in South America.

Insurgent-Trafficker Collusion

If authorities in Colombia and Peru decide that drug traffickers and insurgents are cooperating on a large scale, they might make more direct use of military forces against narcotics centers.

[redacted] Colombian insurgents tax narcotics operations in their operating territories, and guerrilla camps have been discovered near cocaine processing sites. Some government ministers in Peru have told the press that similar connections exist between insurgents and traffickers, but the US Embassy reports that not all officials—especially ranking military figures—are convinced that a significant link exists. At present, both governments consider the problem of combating the drug trade primarily a police matter.

[redacted]

Economic Impact

Drug money brings economic problems as well as benefits. Money returned to the producing countries is spent mainly for nonproductive activities, such as real estate speculation and imported luxury goods, or for expansion of the illegal drug business. Earnings from narcotics can have a destabilizing effect on national fiscal and monetary situations. The contribution to inflationary pressures is the most generally acknowledged detriment, but erratic drug money influxes are

also destabilizing to local exchange markets in those areas with minimum controls. In other areas, like Colombia, where exchange transactions are rigidly controlled, clandestine narcodollar movements finance a pervasive underground economy that is completely outside government purview. One of the more insidious features of such illicit gray economic activity is the ease with which scarce capital can flee through underground banking channels.

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Regional Approach

Because drug trafficking is a cross-border, multinational operation, emerging efforts at a regional approach offer the potential for the bigger payoff. Leaders of South America's major coca producing countries and officials from newly affected areas publicly acknowledge the need for cooperation and multilateral initiatives on narcotics suppression, but bilateral mistrust still undercuts complete cooperation. Neighbors wrangle over longstanding border disputes, suspect each other's intelligence gathering designs, and even doubt the sincerity of the antinarcotics commitment in adjacent countries. The internationalization of antinarcotics activity entails some risks, such as a tendency to evade individual responsibility, to let others carry the fight, or to duplicate bureaucratic structures unnecessarily. Nevertheless, we detect signs that countries may be ready to do more than pay lipservice to a regional approach as the most effective way to fight drugs.

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Meeting in Ecuador in August 1984, the presidents of Venezuela, Ecuador, Bolivia, and Colombia, along with representatives of Panama, Nicaragua, and Peru, issued the "Quito Declaration" calling for an international fund to combat drug trafficking in Latin America and urging the United Nations to pass a resolution condemning drug trafficking as a crime against humanity. Venezuela's President Luisinchi, a prime mover behind the declaration, believes it improves on existing regional antinarcotics mechanisms because it calls for stronger international supervision of individual government drug enforcement and drug control

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efforts. Venezuela also proposed a new draft convention on drug trafficking to the United Nations and to the Organization of the American States for consideration. [redacted]

Officials from Colombia, Ecuador, Brazil, and Bolivia met in September 1984 to plan cooperative measures to control the spread of illicit drugs. They proposed to reactivate regional and bilateral drug control agreements and to negotiate new accords to interdict regional trafficking and deny safehavens to traffickers. Items suggested for future discussion included: a regional police cooperation network; communications links and intelligence sharing; controls on transport, chemicals, and questionable bank accounts; and more timely extradition and prosecution. Despite the cooperative spirit, real programs remain slow in developing. At the second International Drug Enforcement Conference in Brasilia, Venezuela, Colombia, Brazil, Panama, Bolivia, Ecuador, and Peru could reach only a vague agreement to establish a regional communication and information center. [redacted]

On the bilateral front, Colombia and its neighbors are developing stronger antidrug ties. An agreement reached with Ecuador last year calls for increased cooperation, including the return of fugitives. A joint commission with Venezuela continues to meet periodically at alternate sites along the border to discuss mutual drug problems. Brazilian police likewise have increased cooperation with Colombia; officials of the two countries have established procedures for interaction in the frontier area and an acetone-ether control task force was created toward the end of 1984. In August 1985 Colombian and Peruvian forces launched surprise raids against processing centers located near the remote border town of Leticia. [redacted]

The Spillover Countries

We believe that the greatest successes in regional cooperation can be achieved in the "spillover countries" where the illicit cocaine trade is just beginning to take hold. Affected countries include Brazil, Ecuador, Argentina, Venezuela, Panama, and Paraguay, all faced in varying degrees with a developing drug problem. In these areas, trafficking organizations as

yet are smaller, less sophisticated, relatively unversed in co-opting local authorities, and therefore more vulnerable than their well-established counterparts in the major cocaine countries. The forces arrayed against the traffickers in the "spillover countries" are undermanned, underfunded, ill-equipped, and unschooled because they have never faced a serious drug problem before. An encouraging indicator, however, is the expressed willingness of the governments to implement preemptive antidrug campaigns, notably in Brazil, Venezuela, Ecuador, and Argentina. In fact, among the newly affected areas only Paraguay is a prominent holdout. [redacted]

We conclude that attacking the spreading cocaine problem on its developing periphery offers an immediate opportunity to curtail the traffic. If a successful alliance of a group of South American countries united against narcotics trafficking can be achieved, at a minimum it will lessen the options open to traffickers for expansion and evasion of enforcement activities. Furthermore, attacking the cocaine connection where it is still relatively weak leaves more room for the testing of programs necessary to evolve a workable model for effective regional cooperation. Perhaps most important, if such a model can be devised among several "spillover countries," it may serve as a prototype for the large cocaine producing countries as well. Eventually, cooperation across the continent could leave drug traffickers without the convenient and essential safehavens that exist today. [redacted]

European Assistance

The lack of resources remains a problem for countries committed to fight drugs. Broader internationalization of the anticocaine campaign would help in this area. A positive sign is the increasing willingness of European countries, where concern is growing over the expansion of the cocaine market, to assist in what has thus far been a US bilateral affair. Pending host government approval, Narcotics Liaison Officers from

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the Federal Republic of Germany are to be assigned to Brazil, Peru, Colombia, and Bolivia. The United Kingdom also is considering placing narcotics interdiction specialists in various South American countries. Such efforts can be maximized by international oversight and coordination. Ultimately, organizations such as the United Nations could help erode nationalist sensitivities among the regional players, leading to better cooperation and more uniform suppression measures.

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Above all, a concerted regional South American antidrug effort with international backing would serve to highlight and enhance US bilateral measures in the area. Not only would US-sponsored suppression programs receive broader support, but a worldwide audience increasingly would focus the heat of critical public and official attention on the coca region as well. When cocaine was considered a problem of the United States it was easier for coca countries to ignore, but the risk of appearing as international outcasts could provide the extra stimulus to action that is needed.

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Table 4
Steps in Production of Cocaine Hydrochloride and Intermediates

Process	Input	Output	Description of Output	Other Chemicals Required	Possible Substitutes	Description of Step	Where Performed	Remarks
Extraction	Coca leaves	Coca paste, also termed crude cocaine base, masa, sulfato (about 40 percent cocaine)	A dull white or brownish powder with a sweet smell. Varies from a semiliquid, acid-oozing waffle batter to a crumbly cookie dough formed into what looks like a slightly used golf ball.	Kerosene Sodium bicarbonate Sulfuric acid	Gasoline, toluol, benzene Sodium carbonate Hydrochloric acid Sodium hydroxide	Dried coca leaves are soaked in a solution of sodium bicarbonate for three or four days. Kerosene is added to mixture and stirred well. This kerosene extract is then drained and placed in a second container. Hydrochloric acid is then added very slowly and a precipitate is formed. Residue is allowed to dry in the sun for about a day to form coca paste.	In makeshift "factories" or "kitchens" near sources of leaves.	The extraction step is often conducted near coca-growing areas because there is a substantial weight reduction (about 60:1, but variable), and only rudimentary knowledge and equipment are required.
Purification	Coca paste	Coca base, also termed purified cocaine base (about 90 percent cocaine)	Similar to above.	Sulfuric acid Potassium permanganate Ammonium hydroxide	Hydrochloric acid Potassium dichromate Sodium hydroxide	Cocaine paste is dissolved in sulfuric acid. It is cooled and filtered to remove solid impurities. Potassium permanganate solution is added until pink color remains. After standing four to six hours until solution is filtered to remove solids, ammonia water is added to precipitate purified cocaine base. Precipitate is washed with water and sun dried.	In "laboratories" sometimes called "crystal labs" that may be located in areas far removed from area of origin—in Colombia, Ecuador, Brazil, Argentina, and Chile—but not in the United States.	
Crystallization and conversion to cocaine hydrochloride	Coca base	Cocaine hydrochloride, also termed pure cocaine (99 percent)	A white, crystalline, slightly volatile powder with a slightly bitter taste. The finished product will take the form of flake or rock. Pure flake appears translucent and crystalline, sometimes with a rose color. Bolivian rock has a yellow tint. Byproduct alkaloids produce a chalky appearance.	Ethyl ether Acetone Hydrochloric acid	Chloroform, acetone Methyl ethyl ketone Hydrogen chloride gas	Cocaine base is dissolved in ethyl ether and filtered to remove solid impurities. A mixture of ether, acetone, and concentrated hydrochloric acid is added to precipitate cocaine hydrochloride. Precipitate is dried carefully, using bright lights, and packaged for sale.	Same as above.	Ether is extremely flammable and explosive, and fires in laboratories have been reported.
"Cutting" or dilution	Pure cocaine	Street cocaine	White powder highly variable dependent upon purity and nature of adulterants.	Many adulterants are employed. Inert ingredients include mannitol, lactose, glucose, dextrose, inositol, boric acid, cornstarch, and sodium bicarbonate. Methamphetamine, benzedrine, dexedrine, caffeine, phenylidrine, and other drugs are also used.		Varies. The middleman "import step" may be performed by reducing the cocaine and adulterant(s) to liquid and reconstituting it to a rock. When adulterated at the consumer level, most often the adulterant is mixed with the cocaine and passed through a screen to distribute it evenly.	In the United States by middlemen in secret "coke mills." Lower level dealers may also cut the product, termed a "kitchen hit."	

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