

## Andean Report by Gretchen Small

### Drug lobby calls on Sachs's services

*The Harvard economist and his backers proffer yet another rationale for not wiping out the drug trade.*

**T**he Bush anti-drug plan is "anything but good news for Peru," Peruvian journalist Gustavo Gorriti wailed in a Sept. 19 column in the *Los Angeles Times*. Because "the coca economy stands firm as the only important growth industry in Peru," he insisted, any attempt to crush it will only play into the hands of terrorists recruiting in the area.

Gorriti's argument is a common one today in Peru and Bolivia, where the vast majority of the coca used by the cocaine cartel is grown. With some 400,000 families in these countries dependent on coca for their survival, and no sign of a shift away from the international bankers' austerity policies, many government officials feel overwhelmed by the problem.

Gorriti, however, is no frightened government official, but a spokesman for the mafia's legalization strategy who admits his goal is to see the "narco-elites" accepted as good capitalists. "What you have [in Colombia] is a confrontation between rogue capitalists and the system," he wrote. "There are no fundamental social, ethnic, or religious conflicts, so in spite of the current bloodletting, assimilation of the narco-elites in the span of one or two generations is a likely outcome."

Gorriti—who has a reputation in Lima as a collaborator of the Israeli Mossad—is serving as a spokesman for yet another scheme dreamed up by Western bankers to keep governments from facing the reality that until the drug trade is crushed, there can be no solution to the problems of their peoples.

In the July 1989 issue of *Atlantic*

*Monthly*, Gorriti put forward an "alternative" plan for dealing with the drug trade, under the fraudulent headline, "How to Fight the Drug War." His proposal is simply that if governments limit themselves to a "combination of economic incentives and tough interdiction of trade routes," Western governments will cough up some extra cash for them, and all will be well.

What gives this political weight, is that Gorriti announces that his "plan" is based on the advice of Jeffrey Sachs, the Harvard professor currently enjoying international fame as the U.S. bankers' favorite economist.

Sachs is indeed quite an expert—in *expanding* the cocaine trade. From 1985 to 1987, he ran the Bolivian government's economic policies. His famed "stabilization program" did only one thing there: It channeled more coca-dollars for debt payment, while cutting off all credit to Bolivia's agro-industrial economy.

By all rights, Gorriti should be dismissed as a lunatic. In his *Atlantic Monthly* piece, he demanded that the killers of the drug trade be "fought in the marketplace." American consumers created the drug mafia by creating demand, he lied. Don't blame the traffickers; they "simply catered to the demand. . . . They are primitive but efficient capitalists, astute and rapacious, catering to a hungry market."

"Demand for the drug has induced nothing less than an economic revolution in Latin America," he insisted. This is a very popular lie these days, not made any truer by its frequent repetition. How can it be argued that the drug trade has brought well-being to the Andean countries, when their in-

dustries and peoples are suffering a worse depression than the 1930s?

What is true is that, as Gorriti wrote, "the base has expanded considerably, owing partly to the bankrupt legal economies of Peru and Bolivia and the falling standards of living that have helped push new groups of people into the coca economy." But for that, the Andean nations have only to thank Gorriti's banker friends whom he would now invite back to "solve" the problem.

What bothers Gorriti is that "the economic revolution sparked by cocaine has not . . . brought social acceptance of the drug. Most South Americans . . . don't allow themselves to consider cocaine trafficking as a means of capital accumulation for the capital-starved subcontinent. Not even in Medellín is straightforward profiting from cocaine . . . a widely approved way of life."

So, governments must adopt a plan for the "gradual destruction" of coca, argues Gorriti. The international community has no need to invest in an infrastructure and industrial development program for the Andean nations; Sachs, says Gorriti, "believes that given the disastrous economic situation in Peru and Bolivia it would be possible to make great progress with relatively modest expenditures."

Whatever else, governments' economic strategies must not break with the International Monetary Fund and its policies, the two specify. Furthermore, the only "viable alternative" to coca is not producing food, but a "well-planned program of export-oriented crops" which competes in profitability with coca—and pays the debt.

With this strategy the drug trade will only grow, and the opportunity to eradicate the drug cancer now destroying the Andean economies will be lost.