

Britain's Dope, Inc.: Marker for Humanity's New Dark Age

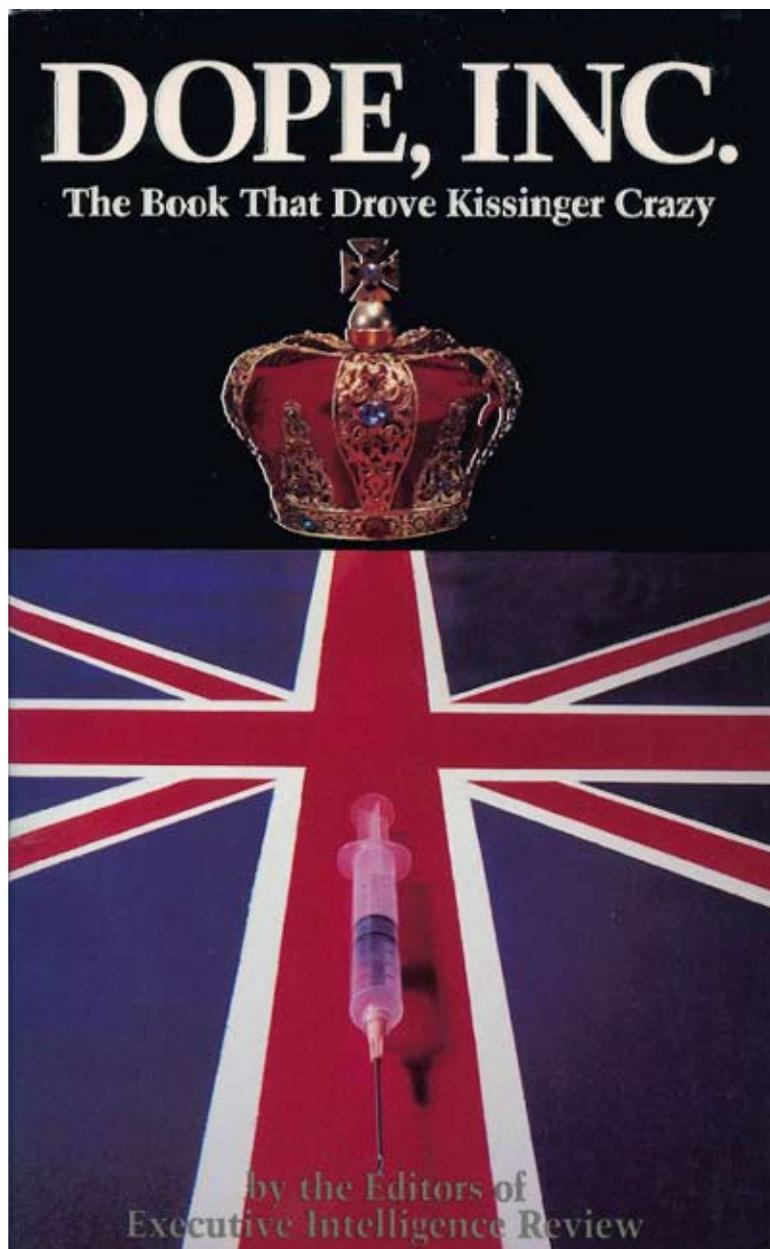
by Dennis Small

Before you start reading this report, I would like you to look closely, again, at the photograph printed on the cover of this magazine. It is a haunting picture of a young Peruvian girl, chewing coca leaves—hungry, exhausted, frightened, with no hope for the future, yet crying out to the heavens for justice. There are millions like her all around the world—from Peru and Bolivia, to Afghanistan and Nigeria, to the inner city streets and the suburbs of the United States—all victims of Dope, Inc., the international drug cartel headquartered in London, as it has been for over a century.

This young girl is the face of the New Dark Age towards which humanity is careening, should we fail to enact Lyndon LaRouche's policies to dismantle Dope, Inc., and to place the current global financial system, which created it, into bankruptcy reorganization. And if that battle is lost, then those haunting images of millions will become, literally, *billions*.

There are a number of pressing reasons why *EIR* decided to research and publish this in-depth study of Dope, Inc. *now*, in the first weeks of the new Obama Administration in Washington, nearly 13 years after our last systematic report on the subject: "Britain's Dope, Inc. Grows to a \$521 Billion Business" (*EIR*, July 26, 1996).

One reason is the fact that the global financial system is imploding under its own cancerous weight, and Dope, Inc. is moving in to take over the entire world economy. On Jan. 28, Lyndon LaRouche warned: "This is Doomsday Time. The world's available money supply is tied largely to the attempted bailout of financial institutions, and you've got a shortage of money, of any kind of credit, building up rapidly into catastrophic levels in every other area. Now, the argument is that you have to be good to the drug pushers, because they are the only ones who are supplying the loose cash



Dope, Inc., the global drug cartel, led by the world's leading drug pusher George Soros, is now driving for its maximum program: legalization of all narcotics. Dope, Inc. (this edition published by EIR in 1992), has been an underground best seller since it first came out in 1979.

with this situation presently, in which the world money supply is collapsing and the drug supply of money is increasing.”

A second reason is that the British drive for drug legalization is rapidly accelerating, spearheaded by the Nazi-trained mega-speculator George Soros. Soros and his legions are beating the drums for “decriminalization,” “medical marijuana,” and so-called “harm reduc-

tion strategies,” in the United States, South America, and around the world. They have placed particular focus on the upcoming special ten-year review by the United Nations Commission on Narcotic Drugs, which will meet in Vienna, Austria, March 11-20, 2009, where London’s legalizers hope to induce the world community to take steps towards legalization by discussing “medical marijuana,” by endorsing the “harm reduction” sophistry as an alternative to actually stopping drugs, and even by removing coca from the list of prohibited substances. Their basic argument is that the war on drugs simply can’t be won, so we should admit defeat and throw in the towel.

To which LaRouche responded on Jan. 19: “The only reason we have a drug problem is because governments don’t want to take it away. People say, ‘Well, you can’t solve the problem.’ What do you mean you can’t solve the problem?! We have the technological means to detect everything in fine detail, to find all of this stuff; we know how to develop methods for solving the problem. They choose not to do it! That’s the reason—it’s the *only* reason. Because you have a *system* which is doing it. You have to shut down the *system*.”

A third urgent consideration for publishing this study now, is the fact that the United States is in danger of stumbling into a blunder of strategic proportions, by sending tens of thousands of additional troops to Afghanistan to “fight the insurgency,” a fool’s errand concocted in London. “There is no hope for Afghanistan or Pakistan, so long as the drug trade is allowed to flourish,” LaRouche stated on Jan. 19. “The most direct way to shut down that trade, and establish the necessary conditions for a viable policy for South and Central Asia, is to first eliminate George Soros. Shut

down his offshore operations, remove him from any access to the American political process. Cart him off to jail. Then, come and talk to me about an appropriate strategy for bringing stability and prosperity to Afghanistan and Pakistan.

“George Soros is so pivotal to the British opium war operations,” LaRouche added, “whether in Afghanistan/Pakistan, or in Mexico and other parts of

the Western Hemisphere, that no victory is possible in either of these areas, so long as Soros is allowed to operate.”

But behind each of these considerations, there is a single underlying reality: *That the drug trade is the marker of humanity’s descent into a New Dark Age.* The British Empire is wielding Dope, Inc., today, just as it waged its Opium War against China in the 19th Century, with an eye towards menticide and the bestialization of the entire planet’s population.

That coming Dark Age can already be seen in the shocking way Afghanistan has been transformed into a giant opium- and heroin-producing machine, with production soaring 280% over the last four years—a dynamic not seen, according to one frightening UN report, since the Opium War.

It can be seen in the horrific violence which the drug gangs have unleashed in Mexico, including more than 5,000 people murdered in 2008, and countless cases of bestial beheadings and ritual torture of competing narcos and of anti-drug police chiefs and army generals alike.

It can be seen in the fact that millions of peasants in drug-producing countries, such as Afghanistan or Bolivia, have become de facto work slaves of the cartels, since the collapsing world economy provides them and their families no source of simple survival, other than the drug economy.

It can be seen in the uncharted, huge rise of global consumption of high-potency, highly addictive marijuana, including in hapless Africa—most of which is starving, and yet today produces a fifth of the planet’s marijuana.

And it can be seen, again, in the face of our young Peruvian girl.

Dope, Inc. in the 21st Century

The widely cited United Nations Office on Drugs and Crime (UNODC) asserted in its 2008 *World Drug Report* that there has been “long-term stabilization” in drug markets, and that “there is every indication that all four drug markets [opiates; marijuana; cocaine; and ATS (Amphetamine-Type Stimulants)] have been contained over the long term.”

Alas, would that it were so.

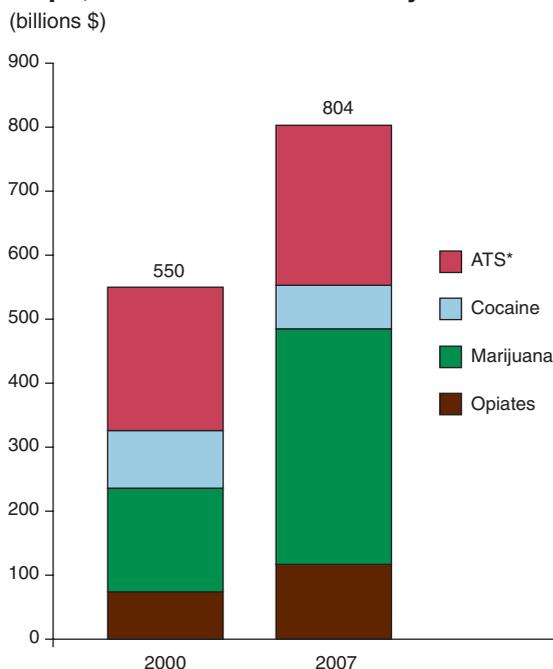
TABLE 1
Growth of Potential Sales, 2000-2007

	Quantity	Value
Opiates	21%	59%
Marijuana	83%	128%
Cocaine	66%	-25%
ATS*	0%	12%
TOTAL	43%	46%

* amphetamine-type stimulants

Sources: INCSR; UNODC; NDIC; ONDCP; Interpol; European Monitoring Centre for Drugs and Drug Addiction; EIR.

FIGURE 1
Dope, Inc. in the 21st Century



* Amphetamine-type stimulants

Sources: INCSR; UNODC; NDIC; ONDCP; Interpol; European Monitoring Centre for Drugs and Drug Addiction; EIR.

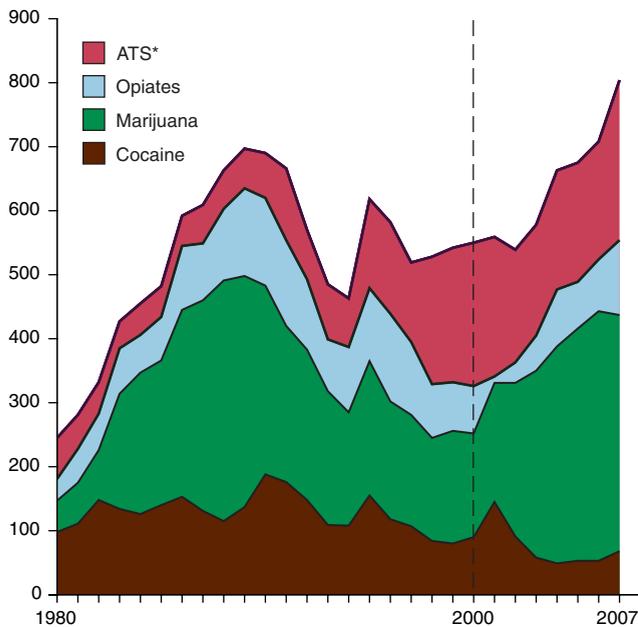
A systematic review of the published literature—including the UNODC reports as well as numerous official U.S. sources—cross-checked with law enforcement and other experts in the field, in the United States and other nations, shows that between 2000 and 2007, the international drug trade has grown in tonnage of production available for sale by about 43%, with marijuana leading the way (see **Table 1**). The total street value of those drugs—i.e., Dope, Inc.’s potential annual “take”—rose from about \$550 billion in 2000, to over \$800 billion in 2007, according to *EIR*’s conservative estimate (**Figure 1**). In fact, it is quite possible that the actual total is closer to \$1 trillion.

Qualified American intelligence professionals concur: They tell *EIR* that the figure for world drug sales most often bandied about by international agencies, \$320 billion, proba-

FIGURE 2

Value of Potential World Drug Sales

(billions \$)



* Amphetamine-type stimulants

Sources: INCSR; UNODC; NDIC; ONDCP; Interpol; European Monitoring Centre for Drugs and Drug Addiction; *EIR*.

bly underestimates the problem *by a factor of three*.

That same process is reflected in the statistics of prevalence of drug use which the UNODC itself, and others, report. Although the accuracy of these statistics, like all consumption-based analysis of the drug trade, is highly questionable (see “Methodology” box, p.19), they nonetheless are indicative of the trend. At the turn of the century, the annual prevalence of drug use across all categories was reportedly some 180 million people. By 2007-08, that number had risen to about 210 million—a 17% rise, or 30 million new drug users.

Thirty million!

And this only purports to measure the total number of regular users, not the quantities that they consumed.

In part, the increased physical production of drugs may not be translating entirely into increased consumption. There are indications that some narcotics, especially heroin, are being “commoditized” and used in barter arrangements for the purchase of weapons for terrorists and others, gold, and even other speculative commodities.

As can be seen in **Figure 2**, the 21st-Century growth in potential drug sales occurred in all the major categories of drugs except cocaine, and it came after a period of relative stagnation in the late 1990s. But already, in our 1996 study, we had warned against being misled by this apparent subsidence: “It would be a serious mistake to conclude from this that the drug problem is somehow levelling off. Rather, what is going on is a period of relative consolidation, preparatory to a new take-off stage in production, consumption, and the value of total sales. In other words, what we are seeing is a classic ‘S-shaped’ function, whose stage of relatively slower growth has already ended, as the curve accelerates back upwards.”

We were right—unfortunately.

In part, this is a result of a deliberate—and successful—marketing strategy employed by Dope, Inc., taken straight from the pages of a Harvard Business School manual: slash prices of your “product” in order to increase the volume of purchases by an even greater proportion. How well this worked for heroin, cocaine, and marijuana can be seen in **Figures 3, 4 and 5**, respectively, which cover the period 1980-2007. Heroin prices were cut by a factor of 5.5 over that period, while the quantity produced increased 17-fold. In the case of cocaine, prices were cut by a factor of 5.1, while production rose 5.5-fold. And for marijuana, when prices are adjusted to take into consideration the rapidly rising THC content of street sales, a similar process is evident from 1990 forward.

The idea that drug prices are somehow set by “market supply and demand” is utterly ludicrous. Dope, Inc. is a cartel, which establishes “fiat prices,” in the words of one U.S. intelligence specialist consulted by *EIR*. This also points to the idiocy of the argument that drug legalization will get rid of the nasty criminals, supposedly because lower prices will make drug trafficking “less profitable.” Lowering prices is exactly what Dope, Inc. itself has been doing for decades, with a resulting vast expansion of its market—and profits!

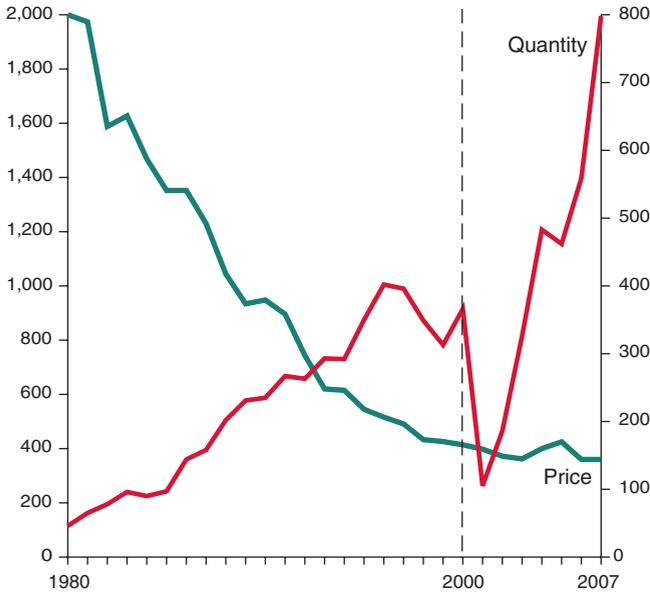
You can almost hear George Soros sneering: “You’re threatening to lower drug prices by legalizing? Make my day!”

None of this need have happened. Lyndon LaRouche laid out the strategy for conducting a successful war on drugs as far back as his 1985 15-point plan, and he has reiterated and refined it over the years. Most recently, he has urged that high-technology measures be adopted,

FIGURE 3

Heroin: Price vs. Quantity

(\$/pure gram in U.S.; tons)

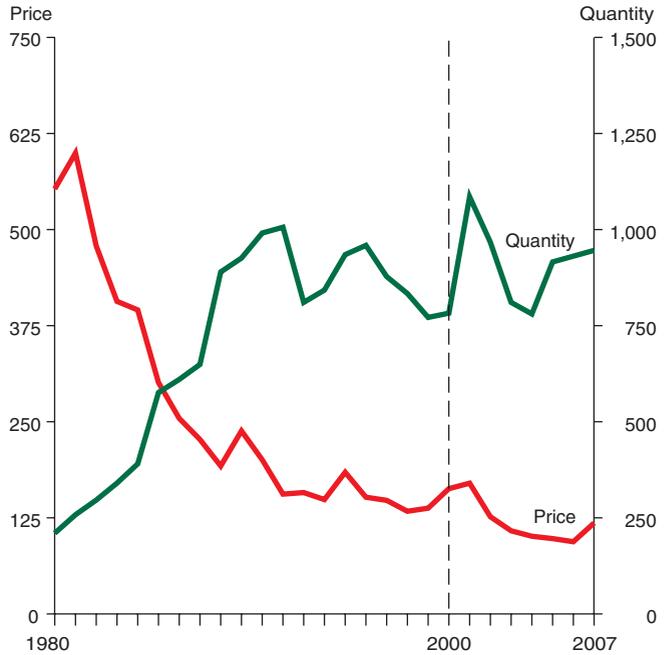


Sources: INCSR; UNODC; NDIC; ONDCP; EIR.

FIGURE 4

Cocaine: Price vs. Quantity

(\$ per pure gram in U.S.A.; tons)

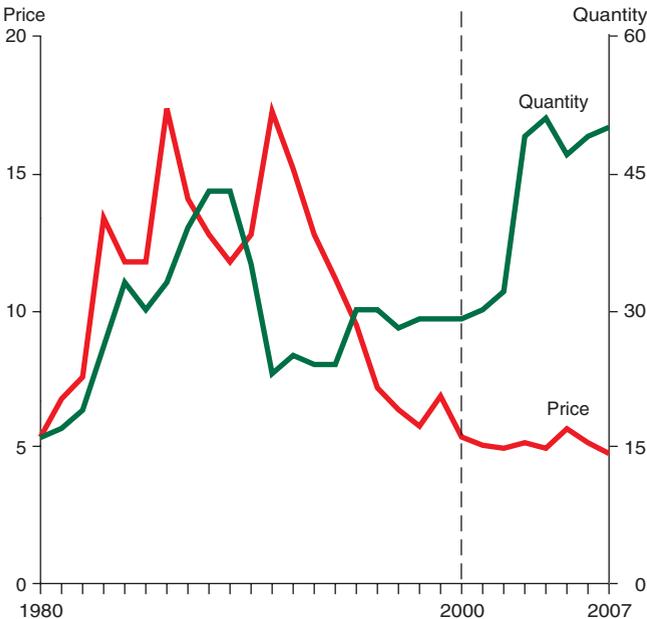


Sources: INCSR; UNODC; NDIC; ONDCP; European Monitoring Centre for Drugs and Drug Addiction; EIR.

FIGURE 5

Marijuana: Price vs. Quantity

(\$ per gram 5% TCH in U.S.A.; thousands tons)



Sources: INCSR; UNODC; NDIC; ONDCP; EIR.

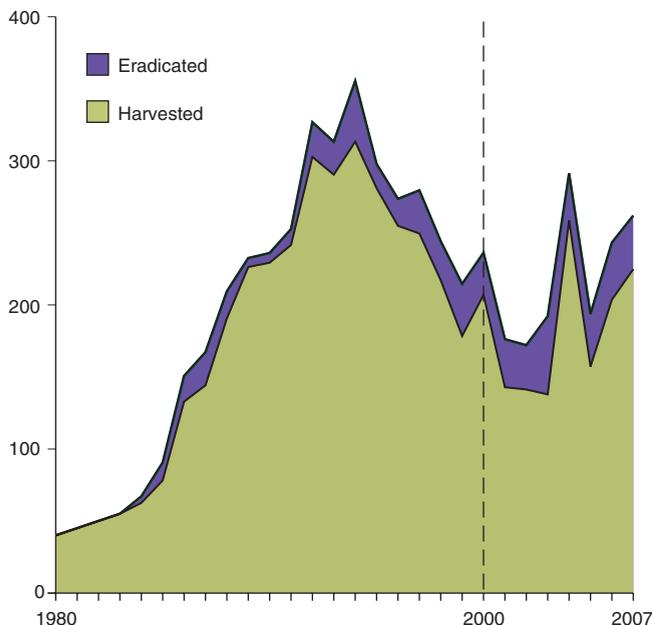
with a minimum of lethal force, to identify, eradicate, and seize the physical drugs and their required precursor chemicals, and especially, that drug money laundering be brought to a grinding halt as part of a global bankruptcy reorganization of the world financial system. This must be done, LaRouche has insisted, with cooperative agreements among nations which fully respect the national sovereignty of the affected states, and by placing special emphasis on great economic development projects to help free the millions of captive producers and consumers from their enslavement to *Dope, Inc.*—much as the Allied armies liberated the world from the grip of Fascism during World War II.

“Destroy the bastards! Shut them down. There’s no reason to put up with this crap. Civilization is at stake,” LaRouche stated bluntly Jan. 28.

Opiates: Where in the World Is All the Heroin Going?

Opium and heroin production today is completely out of control. This fact may not be immediately apparent, if you look only at the trend of the area under poppy

FIGURE 6
Opium: Area Cultivated vs. Harvested
 (thousands hectares)



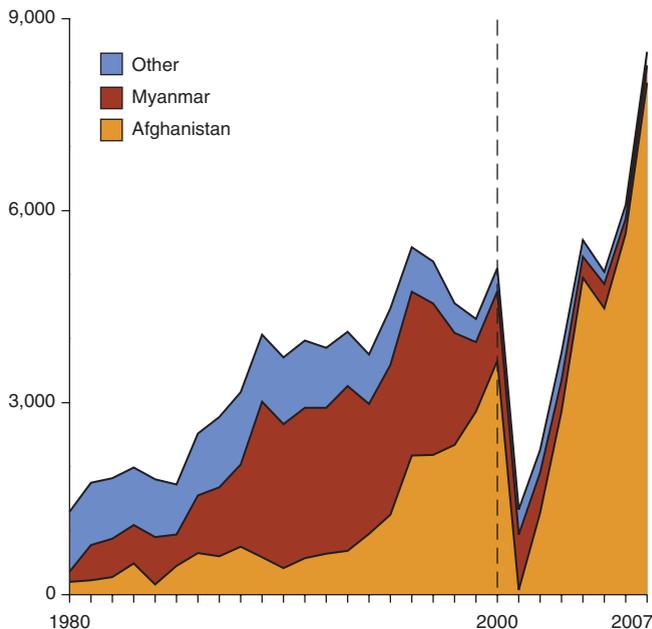
Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

cultivation internationally (**Figure 6**). From 2000 to the present, there were yearly ups and downs, but the total area cultivated rose only slightly. About 14% of that was eradicated in 2007, leaving about 225,000 hectares harvested—well below the peak of 313,000 hectares in 1993.

But there is something else going on. In the late 1990s, Myanmar, which had historically been the world’s leading opium producer, cracked down and reduced production by almost 90%, from a high of 2,575 tons in 1993, down to 270 tons in 2007. Dope, Inc. did not look kindly on what Myanmar had done, but quickly shifted its base of opium production to Afghanistan—where the per hectare poppy yields are *three times greater* than in Myanmar (48.5 kg/ha vs. 15 kg/ha), because of the variety of poppy plant used, better irrigation, and so on. This explains the phenomenon of a relatively constant total world area under poppy cultivation, at the same time that world production has been skyrocketing.

The results can be seen in **Figure 7**. No lasting significance should be ascribed to the visibly dramatic plunge in Afghan production in 2001, when the ortho-

FIGURE 7
Opium Production, World Total
 (tons)



Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

dox Islamist “old” Taliban decided to crack down heavily on drugs, bringing production down to a mere 74 tons in that one year. Some experts say that this was merely a supply-control decision made by Dope, Inc., to use up a significant portion of the stockpiles of heroin which had been accumulating. In any event, production zoomed in subsequent years, under the watchful and approving eye of British and allied NATO troops deployed in the country. In 2003, Afghanistan produced 2,865 tons of opium, an amount that rose 280% to 8,000 tons over the next four years. The country’s share of world production leapt from 75% to 94% in the same period.

The vast majority of Afghan opium is converted into heroin and morphine, in labs both inside Afghanistan and in neighboring Pakistan. In this stage of the process, too, Afghanistan has become something of an opiate superpower, because the efficiency of conversion of opium into heroin—which has historically been calculated at a ratio of 10:1, for all countries—improved significantly in Afghanistan, beginning in 2002, where it now takes only 8.5 kg of opium to produce 1 kg of pure heroin, a 15% increase in efficiency.

FIGURE 8
Opiate Trafficking Routes



Source: DEA, EIR.

The opium boom of the last five years has meant that supply now far outstrips demand from consumption. According to the UNODC's 2008 *World Drug Report*, "vast amounts of opium, heroin and morphine (thousands of tons) have been withheld from the market." The report correctly notes, "These stockpiles are a time bomb for public health and global security." Further, the report states that nobody knows where the stockpiles are, except that they are not in the hands of the poppy farmers. We have to "find the missing opium," the UNODC says urgently. "As a priority, intelligence services need to examine who holds this surplus, where it may go, and for what purposes."

The UNODC could start by calling in George Soros for questioning.

Part of the answer may lie in the commoditization of heroin we mentioned above. Another significant factor is the vast increase in heroin use in nations along the overland trafficking routes from Afghanistan to Europe, especially Iran and Russia, which are known to be especially hard hit by skyrocketing addiction rates.

In 2008, according to the UNODC, Afghan opium production fell slightly to 7,700 tons, in part due to a drought in the north of the country. But opium cultiva-

tion in the British-controlled Helmand Province in the south grew from 102,800 hectares in 2007 to 103,600 in 2008. The vast majority of the world's opium comes from Afghanistan, and the vast majority of that is grown in Helmand Province; in 2007, Helmand's opium was 53% of the national total, but in 2008 it skyrocketed to two-thirds of the total. Between 2002 and 2008, cultivation in Helmand Province more than tripled.

The northern provinces may be shifting out of opium, but they are shifting *into* marijuana. Marijuana production has risen dramatically in Afghanistan, to the point that today the hectares cultivated are one-third the total dedicated to opium. Furthermore, the UNODC notes, "This is happening in some of the provinces that are opium free (for example in the north)," and marijuana cultivation actually "generates even greater *net* income (because of opium's high labor costs)."

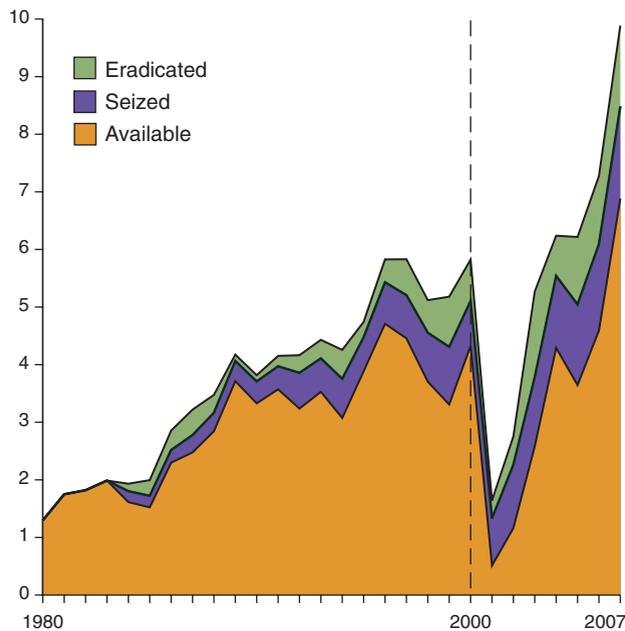
Afghanistan may be the epicenter of the heroin holocaust, but it is not the world's only producer of opiates. There are three distinct production regions, which supply three distinct markets (**Figure 8**).

1) **Mexico and Colombia:** Their entire opium crop is converted into heroin, and most of it is shipped to the United States, where it supplies about 95% of the U.S.

FIGURE 9

Opium Without Anti-Drug Measures

(thousands tons)



Sources: INCSR; UNODC; NDIC; ONDCP; EIR.

market; Afghanistan provides only 3% of the total consumed in the United States. The Mexican share has increasingly taken over from the Colombians, including in the east coast urban market which had long been Colombian turf. Mexican heroin production increased 105% from 1999 (8.8 tons) to 2007 (18 tons), while Colombian production decreased 47% in that same period, going from 8.7 to 4.6 tons.

2) **South East Asia:** Myanmar remains the largest producer in the region, and supplies the area, notably China and Australia.

3) **South West Asia,** i.e., Afghanistan, which supplies the “traditional” European market, and the newer and rapidly growing addict populations of Russia, Iran, and other victim countries along the trafficking routes. The growing preponderance of the south of Afghanistan in national opium production, has meant a corresponding shift in routes. Most opiates are now trafficked from southern Afghanistan via the Balkan routes into Europe, with the northern Silk Route declining in relative terms.

For example, the UNODC estimates that 53% of all

opiates left Afghanistan via Iran, 33% via Pakistan, and 14% via Central Asia (mainly Tajikistan). If only heroin and morphine are considered, 51% exited via Pakistan, 30% via Iran, and 20% via Central Asia (Figure 8).

Intelligence sources consulted by *EIR* have also emphasized the growing importance of a sea route, where heroin is transported by land to Pakistani ports on the Arabian Sea, shipped to Dubai in the United Arab Emirates, and from there on to Europe.

How much of its opiate line of “products” does Dope, Inc. lose along the way? Only a small percentage of the opium crop is eradicated, as noted above. The key precursor chemical for producing heroin—acetic anhydride—is not produced at all in Afghanistan, but is smuggled in principally from China, India, and Germany, through neighboring countries. Seizures of acetic anhydride almost never occur.

As for seizures of the opiate drugs themselves, the global rate rose from 13% in 1996, to 23% in 2006. For opium, Iran seized 81% of the total world seizures; for heroin, Iran seized 19% of the total, followed by Turkey (18%), and China (10%).

The net result of both eradication and seizures can be seen in **Figure 9**. As unimpressive as the results have been, the fact is that, instead of the 6,900 tons of opiates that were available for sale in 2007, there would have been nearly 10,000 tons, had it not been for the half-hearted anti-drug efforts undertaken.

Imagine what the world could do if we decided to get serious.

Marijuana: No One Even Knows How Much Is Grown

Marijuana is the most widespread narcotic drug trafficked by Dope, Inc., and is well established as its entry-level product line for expanding the cartel’s deadly grip on captive producing and consuming populations. For example, in the United States, marijuana has by far the highest abuse rate of any drug—five times that of cocaine.

There were about 520,000 hectares under cannabis cultivation in 2006, according to the UNODC—or perhaps it was actually three times that amount. As the UNODC itself admitted in its 2008 *World Drug Report*, it is “difficult, for most countries, to introduce scientifically reliable crop monitoring systems” for marijuana, since there are lots of small plots, hidden indoor hydroponic cultivation, and so on. “If all cannabis growing

wild was included in the area estimates, the global surface covered by cannabis could be two to three times larger.”

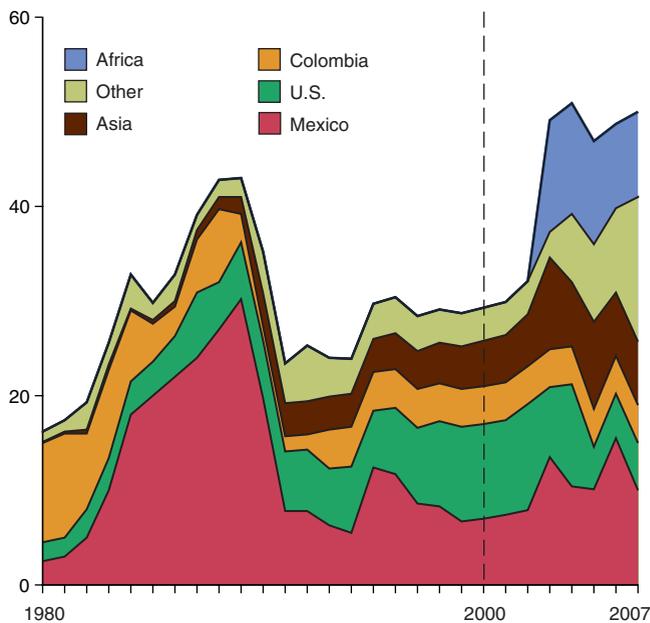
Yield estimates also vary widely, from 5 kg/ha (wild cannabis) to 40,000 kg/ha for hydroponic cultivation. So the total cannabis produced worldwide in 2007 may have been about 50,000 tons (as we estimate in **Figure 10**), or it could well have been double that amount! For example, in the United States, arguably the world’s largest consumer and producer of marijuana, no one really has the faintest idea of how much is produced or imported into the country. As the Department of Justice’s 2008 National Drug Threat Assessment (NDTA) stated frankly: “No reliable estimates are available regarding the amount of domestically cultivated or processed marijuana. The amount of marijuana available—including marijuana produced both domestically and internationally—in the U.S. is unknown.”

As for the number of consumers, the UNODC puts the figure at 166 million worldwide, but that also is more of a guess than anything else, since it derives its consumption estimates from “expert perceptions reported by States Members”—whoever they are, and whatever that means. Furthermore, these consumption-based estimates give wildly different numbers than most production-based estimates, which led the UNODC to admit in its 2004 report: “It should be noted that the current production estimates do not tally with consumption estimates for individual countries. Supply-side estimates for the U.S.A., for instance, see a cannabis herb market (including exports) of close to 18,000 tons for 2001-02. Consumption based estimates see a cannabis herb market of around 1,000 tons for the U.S.A. Thus far, this discrepancy [an 18-fold “discrepancy”!-ed.] has not been resolved.”

Some intelligence professionals consulted by *EIR* have simply thrown up their hands, arguing that U.S. marijuana production is “intrinsically unmeasurable,” since so much of it is grown: a) indoors in high-tech hydroponic environments; b) on public lands and parks, under double-canopied forests which make it largely undetectable from the air, even if U.S. intelligence services were allowed to engage in satellite imaging of the U.S. (as they do of other countries), which they are not, since it is prohibited by law; and c) in individual plots cultivated by millions of aging Baby-Boomer consumers.

Official estimates of the extent of domestic cultivation in the U.S. thus vary by more than a factor of six.

FIGURE 10
Marijuana Production, World Total
(thousands tons)



Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

What is known, is that worldwide production and consumption of marijuana is rising rapidly, and that the THC content in the United States is double what it was a decade ago (**Figure 11**), producing a highly addictive effect on the consumer. In part, the zooming potency is due to the shift from outdoor to indoor cultivation, since “controlled growing conditions generally yield higher-potency marijuana,” according to the 2008 NDTA. “Additionally, indoor cannabis cultivators are able to cultivate year-round with four to six harvests a year,” they note, “compared to one or two harvests a year typical of outdoor cultivation.”

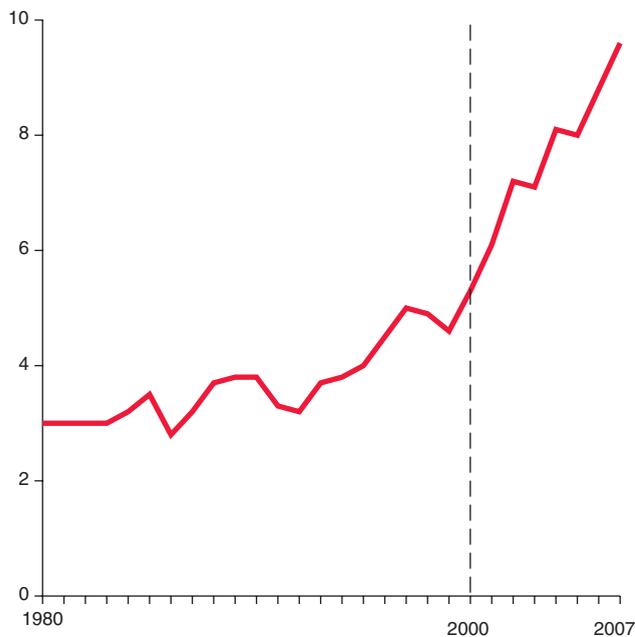
Indoor cultivation occurs mainly in California, Oregon, and Washington state, “largely because of the exploitation of medical marijuana laws in some states,” the NDTA notes. The case of Mendocino County, California, was recently made notorious by a CNBC documentary appropriately titled *Marijuana, Inc.*

What is also known, is that there has been a huge explosion of production, consumption, and trafficking of cannabis in Africa. According to UNODC statistics, Africa today produces about 10,000 out of the 50,000 tons produced worldwide. The UNODC didn’t even

FIGURE 11

Marijuana Potency in the U.S.A.

(% THC)



Sources: NDIC; *EIR*.

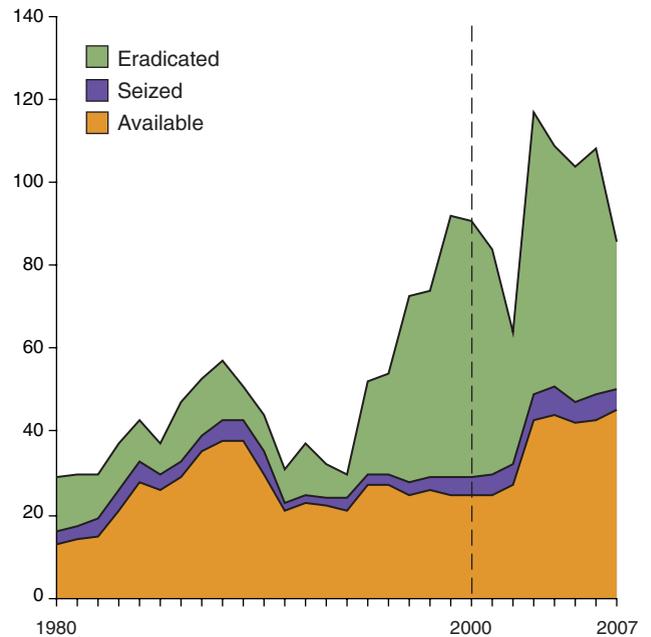
start reporting African production regularly until 2003, nor are there statistics available from other sources for earlier years. This accounts for the anomalous Africa “bump” in Figure 10, although the reality of the matter is that substantial African marijuana cultivation was surely going on prior to 2003, albeit under the radar of most international agencies. South Africa, Nigeria, and Lesotho are among the continent’s major producers, but almost every country produces for its own consumption, especially by the poor, who use it to be able to work longer and harder—much as occurs with coca leaves among South America’s Andean peasants.

We also know that cannabis cultivation in Afghanistan has risen dramatically in the last few years. In 2007, the UNODC reports, “the area under cannabis cultivation in Afghanistan was equivalent to over a third of the area under opium poppy cultivation. If production truly takes hold in Afghanistan there could be a rebound in consumption in West and Central Europe and an expansion in Eastern Europe.” Much of the Afghan marijuana may be being converted into hashish, whose largest producer is currently Morocco.

FIGURE 12

Marijuana Without Anti-Drug Measures

(thousands tons)



Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

It is also known that Mexico is the world’s leading eradicator of marijuana; Mexican authorities reported that in 2006, they wiped out about 75%, or 31,000 out of a total of 40,000 hectares cultivated—although the State Department’s INCSR thinks that the remaining amount available is higher than the Mexicans report. Very little marijuana is seized in the distribution chain, as can be seen in **Figure 12**. The combined impact of eradication and seizures in 2007 meant that the tons available for sale were cut in half, down to “only” 45,000 tons.

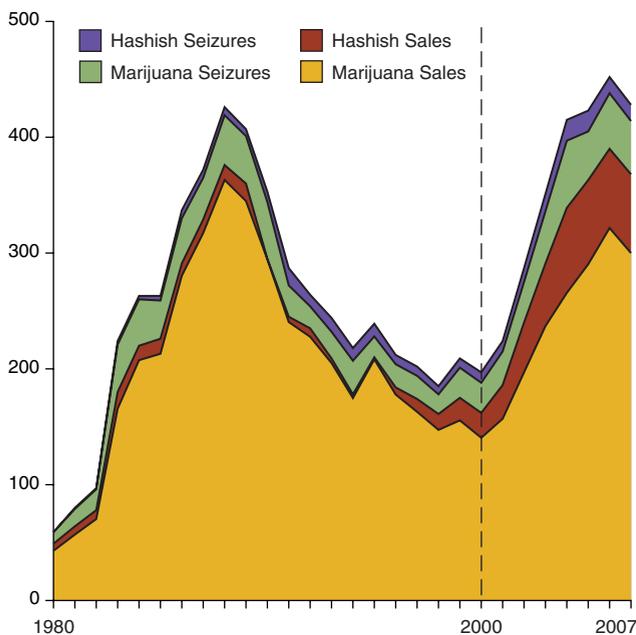
The net result is that cannabis (marijuana and hashish) has become the single largest component of the value of all potential drug sales, accounting for some \$368 billion in potential sales in 2007 (**Figure 13**).

In 2006, the UNODC issued an alarming special study of marijuana as part of its annual report, headlined: “Cannabis: Why we should care.” In it, the UNODC warns: “Cannabis has been allowed to fall into a grey area. Technically illegal but widely de-prioritized, the drug has grown in popularity at a rate outpacing all others. A global blind spot has developed

FIGURE 13

Marijuana and Hashish: Value of Production vs. Sales

(billions \$)



Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

around cannabis, and in this murk the plant itself has been transformed into something far more potent than in the past.”

This brings into clear focus the sheer criminality of the Soros-led drive for “medical marijuana.” Soros et al. are pushing it with a precise understanding that it is a foot-in-the-door for the unfettered expansion of Dope, Inc., and the drugging of virtually the entire planet’s population.

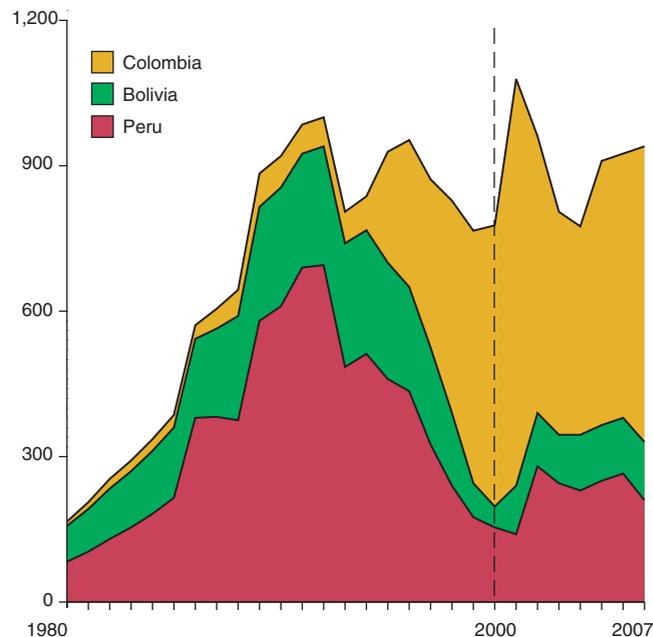
Cocaine: Eradication Works ... If You Do It

Of the four major drug groups, cocaine is the only one which has remained pretty much flat from 1990 to the present, both in terms of area harvested as well as amount produced—although there has been an internal shift among the world’s three producers, with Colombia taking over first place from Peru in the late 1990s. In the case of opium, total production (before seizures) increased by 122% between 1990 and 2007, from 3,816 to 8,484 tons. Marijuana likewise more than doubled in the same period. But cocaine production was 920 tons in 1990, and 940 tons in 2007—albeit with yearly ups

FIGURE 14

Cocaine Production, World Total

(tons)



Sources: INCSR; UNODC; NDIC; ONDCP; *EIR*.

and downs in between (Figure 14).

The reason? Eradication of over half of all coca plantations, principally in Colombia. If there had been no coca eradication, all 471,000 hectares cultivated would have been harvested, as opposed to the 233,000 that was the case in 2007 (Figure 15). Production would have been 1,903 tons, more than double the 940 tons that actually were produced. And the curve of rising cocaine production from 1995–2007 would have looked like a close copy of the curves for opium and marijuana production.

Achieving this success—partial though it may be—has come as the result of a decades-long political and military battle, both in the Andean region and in the United States. Drug legalizers and environmentalists have screamed bloody murder at aerial spraying of the (totally safe) herbicide glyphosate; Wall Street brazenly rallied to the defense of the Colombian narco-terrorist FARC cartel, as enshrined in the infamous *Grasso Abrazo* photograph of June 1999; and countless patriotic Colombian soldiers, policemen, judges, politicians and even Presidential candidates gave their lives to stop Dope, Inc.



ANCOL/Fernando Ruiz

In June 1999, as the government of Colombia was successfully eradicating hundreds of thousands of hectares of coca, Wall Street, in the person of Richard Grasso (shown here in the infamous “Grasso Abrazo” embrace of narcoterrorist Raúl Reyes), came to the FARC cartel’s rescue.

But eradication alone is hardly sufficient. To be successful, crop eradication must be deployed as part of a total anti-drug strategy. Especially under today’s circumstances, you cannot simply wipe out the coca or poppy crop in a country and walk away, when the livelihood of millions depends on it, as with the captive populations of Afghanistan or Bolivia today. Those populations first have to be freed from their slavery to Dope, Inc.’s drug lords, and won over through a policy of serious economic development of their nations. At the same time, the drug-processing laboratories, and the drug-trafficking routes, and the international drug-money laundering financial interests especially, must be put out of business. As LaRouche has repeatedly stressed, this should be done with an emphasis on high-technology capabilities, employing only a minimum of lethal force, as needed to get the job done.

The cocaine case also raises another fundamental question that goes to the heart of the nature of Dope, Inc.

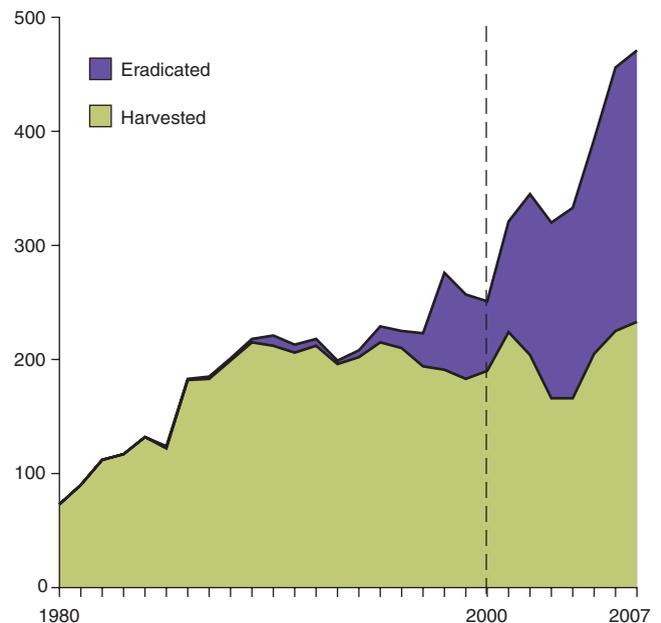
There are two possible interpretations of the picture presented in **Figure 15**. The first argues that there is an existing market demand for cocaine, and over the years the narco-traffickers cultivated enough coca to keep final production, after eradication, at the level needed to

meet that market demand. This is the standard, “free market” axiomatics to which the legalizers and others always revert.

The second view is that demand for drugs is not a “market” phenomenon, but is created by Dope, Inc., in the same way that the British created a “market” for their opium in China in the 19th Century—by shoving it down peoples’ throats, with war if need be. This view argues that Dope, Inc. always tries to figure out a way to sell as much cocaine as could be produced without eradication, as it has with all drugs.

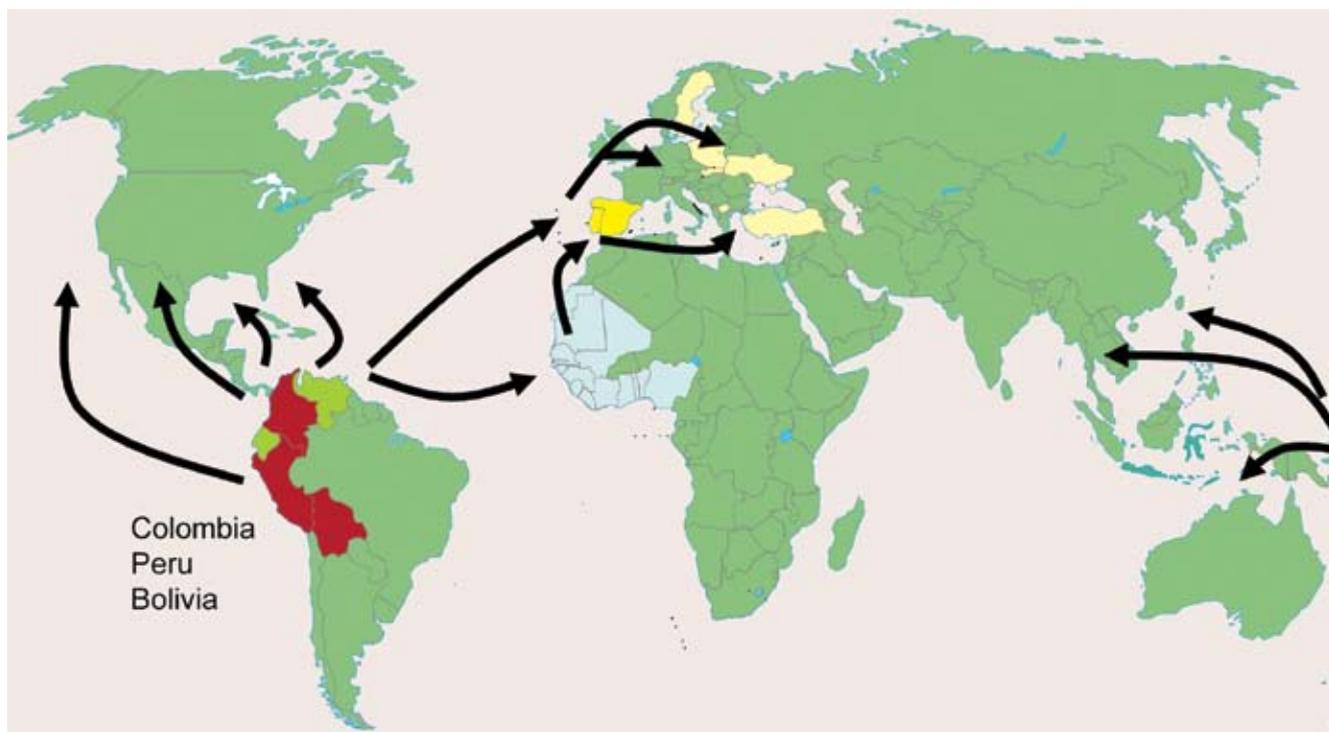
This second view is, of course, correct—for reasons we explain more fully in the “Methodology” box. Dope, Inc. is a drug cartel run by the world’s most powerful financial interests intent on bringing on a New Dark Age, not a market

FIGURE 15
Coca: Area Cultivated vs. Harvested
(thousands hectares)



Sources: INCSR; UNODC; NDIC; ONDCP; EIR.

FIGURE 16
Cocaine Trafficking Routes



Source: DEA, EIR.

competitor with a product line to sell wherever it finds “effective demand.”

All of the world’s coca and cocaine is produced in Bolivia, Peru, and Colombia, and the United States is the world’s leading consumer market. A full 90% of the amount entering the United States now goes through Mexico (**Figure 16**). The 2009 National Drug Threat Assessment issued by the Department of Justice specifies that 69% goes through what they call the “Eastern Pacific Vector,” travelling up to Mexico’s Pacific coast by “go-fast” boats and fishing boats. The cartels are also increasingly using “Self-Propelled Semisubmersible-Low Profile Vessels (SPSS-LPV)” —i.e., mini submarines—on this route. An additional 21% is sent via the “Western Caribbean Vector,” again with “go-fast” boats and private airplanes.

The second major market is Europe, where “cocaine use and cocaine-related problems have increased markedly since the mid-1990s,” according to the European Monitoring Centre for Drugs and Drug Addiction, an EU body set up in 1993. It expresses special concern that, although the UNODC reports stable cocaine pro-

duction for the last decade, “in Europe, overall cocaine seizures have tripled during this period,” rising from 8% of the world total in 2000, to 14% in 2005, and 17% in 2006. This indicates that use in Europe has increased while prices have declined. The UNODC freely admits that “there is a lack of information on how much cocaine European markets may be consuming.”

The European Monitoring Centre identifies three main smuggling routes from South America:

1) The Northern route, from South America to Europe via the Caribbean, which brings in an estimated 40% of European cocaine, using “rapid and difficult to detect ‘go-fast’ boats, but also pleasure boats, cargo freighters and container ships. Aircraft are also used for dropping cocaine bundles in international waters to awaiting pick-up vessels.”

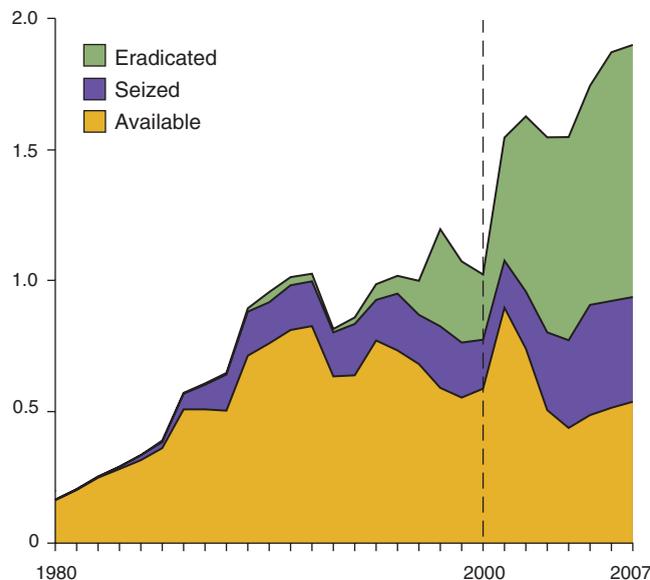
2) The Central route, from South America to the Iberian Peninsula, with possible transits in Cape Verde, the Azores, or the Canary Islands.

3) The African route, to West Africa by large cargo ships or by fishing boats. The drugs are then taken to the west coast of the Iberian Peninsula.

FIGURE 17

Cocaine Without Anti-Drug Measures

(thousands tons)



Sources: INCSR; UNODC; NDIC; ONDCP; European Monitoring Centre for Drugs and Drug Addiction; *EIR*.

With these trafficking patterns, not surprisingly Spain and Portugal are the two main ports of entry for cocaine in Europe. The UNODC reported in 2007 that new trends include consumer markets in central and eastern Europe, and the “incorporation of cocaine into the range of products offered by traditional heroin trafficking groups operating along the Balkan route.”

Worldwide, a significant and rising amount of cocaine is being intercepted en route: In 2007 it was some 400 out of the 940 tons produced, or 42% of the total (**Figure 17**)—a substantially higher rate than for either opiates or marijuana. South America’s share of global seizures has been increasing, from 31% in 1996 to 45% in 2006. The bulk of these seizures (181 tons) was carried out by Colombia.

Taken together, eradication of coca and seizures of cocaine knocked out nearly 75% of the drug in 2007—which is good, but not nearly good enough. It is *EIR*’s contention, based on a review of the historical evidence and consultation with experts in the field, that a serious war on drugs, employing high-technology detection and combat capabilities, could lead to the eradication of about 90% of each of the major drug crops—poppy, cannabis, and coca—and seizure of some 75% of the

remaining 10% that is produced. That would leave only 2-3% of the initial total that gets through.

The third leg of the stool, along with eradication and seizures, is to completely shut down the laundering of drug money—the most crucial step of all, and one which has to be carried out as a concerted, international campaign. As we said in our 1996 study: “The drug trade has to be fought simultaneously, in a coordinated fashion, on a global scale. Since Dope, Inc. is a multinational enterprise with operations in dozens of nations, it does little good to shut it down in one country only: It will simply move its operations to a more favorable environment.”

ATS: A Quarter Trillion Dollar Business

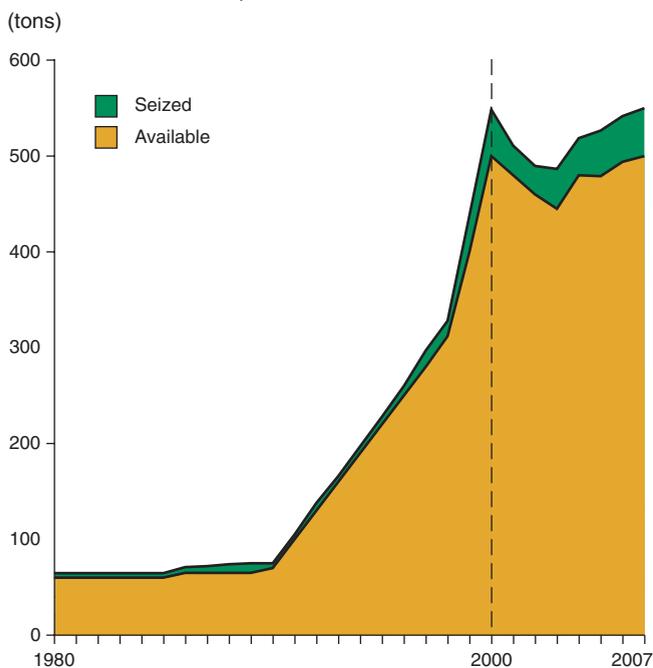
Unlike the other three main drug groups, where one can physically measure crops and yields as a starting point for estimating total production and availability, Amphetamine-Type Stimulants, or ATS, can only be estimated indirectly, based on seizures of drugs and precursor chemicals, consumption studies, and so on. With that caveat, the available statistics indicate that total tonnage produced increased dramatically over the course of the 1990s, and has then grown more slowly from 2000 to 2007 (**Figure 18**). Today, some 550 tons of ATS are produced, of which a mere 10% is seized, bringing the total available to about 500 tons per year. The estimated total street value of those ATS is a cool quarter-trillion dollars.

The ATS category of drugs has two major groups: 1) the amphetamine group (which includes both methamphetamines and amphetamines); and 2) the ecstasy group (which includes MDMA, MDA, etc.). In 2007, out of a total 496 tons available, methamphetamines accounted for 267 tons (54%), amphetamines were 126 tons (25%), and ecstasy was 103 tons (21%). Judging by the pattern of seizures, methamphetamines are the dominant ATS drug in the U.S. market; amphetamines predominate in Europe and the Near East; and South East Asia has a large and growing methamphetamine problem.

As for ecstasy, Europe’s role as the main manufacturer is declining. In July 2008, the Drug Enforcement Administration reported that “Asian Organized Crime groups play an important role in the global MDMA trade.” Overall, the DEA reported, “synthetic drugs are the primary threat in South East Asia.” And consumption of ATS in Africa and South West Asia is also on the rise.

FIGURE 18

ATS* Production, World Total



* Amphetamine-type stimulants

Sources: INCSR; UNODC; NDIC; ONDCP; Interpol; EIR.

In the United States, methamphetamines are the major ATS problem. In 2006, the 6,832 U.S. laboratories busted accounted for 88% of all dismantled methamphetamine laboratories worldwide. In the last few years, U.S. domestic manufacture of meth has been declining, but it has been more than offset by a shift of manufacturing to Mexico and Canada, with the product then smuggled into the United States. The DEA estimates that 65% of the meth available in the U.S. is produced in Mexico, with precursor chemicals coming into Mexico through Central America.

The NDTA's December 2008 report admits that a major part of the problem is "the limitations placed on customs inspectors by Free Trade Zone mandates" in various countries. As *EIR* has asserted for years, the provisions of NAFTA have not only been an economic disaster for both the United States and Mexico, but they have also helped open the doors wide for drugs to flow freely.

Highly centralized distribution networks of ATS are thought to be replacing independent dealers in the United States, which goes along with a shift from smaller labs to super and mega-laboratories. "Orga-

nized criminal groups in Mexico have expanded their methamphetamine distribution networks and they have also introduced highly addictive crystal methamphetamine into these markets," according to a DEA report.

As for Europe, the dubious distinction of being the leading producer of ATS falls to the Czech Republic; in 2006, 88% of all European laboratories detected were found there.

By Way of a Postscript

George Soros and his troop of legalizers are fond of arguing that consuming drugs is a "victimless crime," so why not legalize it? This is as offensive to the human mind as Soros's continuing defense of his collaboration with Hitler's Waffen SS in Nazi-occupied Hungary, against his own fellow Jews.

There is scarcely a family in the United States today that has not been scarred in one way or another by drugs—a brother, a daughter, a cousin, a father who were casualties of this modern Opium War. Nor is there a nation on the planet where the policies of Dope, Inc. have not wrought havoc.

Now return, if you would, to the picture of the young Peruvian girl with which we began this account. There is more to the story. That photograph was taken in Peru by Mark Sonnenblick, a founding member of the LaRouche organization who passed away in 2004, and who dedicated his life to being the voice and mentor of the uncounted millions who, like that little Peruvian girl, cry out for justice.

When I first saw that picture, probably taken in 1967, I thought immediately of Lyndon LaRouche's trip to Peru in 1987, 20 years later, where he talked about Peru's children—about that same girl. On that visit, LaRouche delivered an address commemorating the 20th anniversary of Pope Paul VI's encyclical, "Populorum Progressio," where he said:

"Where others see only poverty, I see potential. It was 41 years ago, in India, that I first committed myself to economic justice for what we today call the developing sector. The children and grandchildren of some of today's poorest rural families of Peru, will land on Mars. Some will stay as colonists; others will return, perhaps to share their experiences with some of you, who are here today in this hall."

LaRouche stressed: "Never accept the spectacle of human misery; human misery is unnecessary. Never accept the idea that some nations are rich, and others

are poor. Never think of yourselves as people from a poor country.”

And he concluded: “I’ve asked you to turn your eyes to the stars to see, with pride and with confidence, that which the mind makes you capable of achieving. In dreaming that dream, lies the potential of your nation;

the potential of your nation is its future reality. What your nation will be in the future, is what it begins to do today.”

And today, we should add that we *will* get that little Peruvian girl to Mars yet—and Dope, Inc.’s New Dark Age be damned!

A Note on EIR’s Methodology

Over the past three decades, *EIR* has conducted a number of in-depth investigations of the size of the international drug trade. Each of these has addressed the matter from the same vantage point: that Dope, Inc. functions as a single, unified, multinational corporation, whose various production, processing, transportation, distribution, sales, consumption, and money-laundering phases are centrally coordinated to a single purpose.

We therefore discard as misleading, and inaccurate, all “demand”- or “consumption”-based approaches, whose implicit assumption is that the “aggregate demand” for drugs by a collection of autonomous individuals, “causes” drugs to be produced, presumably by a collection of equally autonomous producers who only associate, after the fact, into various criminal cartels. In this view, money laundering is merely an epiphenomenon, and drug bankers are only the occasional bad apples who are corrupted by the producer cartels.

Even the most thorough of such “consumption”-driven approaches inherently underestimate the actual scope of the drug problem, and vastly so, probably by a full order of magnitude. No amount of sophisticated mathematics and complex regression analyses can make up for flawed assumptions and methodology: It only makes the problem worse by convincing the gullible layman that it is somehow “scientific.”

As a result of its very illegal nature, Dope, Inc.’s size and activities are not directly reported. However, one can obtain a far more accurate—if still not precise—reading, by analyzing the *physical economy* of

the drug production process, and estimating what the annual value of the total physical output of the drugs would be, were they fully marketed at retail street prices. In using this approach, *EIR* has made use of official data provided by numerous governments and international agencies, as verified and corrected by direct *EIR* consultation with knowledgeable sources in various countries. We are convinced that our findings about the global dimensions of Dope, Inc. err on the conservative side.

There are two principal sources of publicly available comprehensive data on drugs: the U.S. State Department’s annual *International Narcotics Control Strategy Report* (INCSR), which pulls together data from other U.S. agencies, including the White House Office of National Drug Control Policy (ONDCP), the Department of Justice National Drug Intelligence Center (NDIC), the DEA and others. The second, is the United Nations Office on Drugs and Crime (UNODC), which issues an annual *World Drug Report*.

The U.S. and UN numbers, by and large, indicate the same broad trends, although specific numbers vary from year to year. Exceptions to that rule include significant variations of coca area cultivated in Colombia, marijuana yields in Mexico, and so on.

Overall, we have chosen to use the U.S.-generated numbers as we have for our previous studies, for a number of reasons. The main one is that the UN numbers aggregate individual country reports, as supplied by each member state of the UN, so they reflect varying national methodologies; whereas the U.S. numbers apply the same methodology to all countries. This latter is preferable, since what we are looking for are trends, not absolute numbers—which are inexact in any event. Exceptions include our use of UNODC figures for European street prices for drugs, as well as most data on drug seizures.

—Dennis Small