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Drugs Beget Thugs in the Americas

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"It is an established fact that alcoholism, cocaineism, and morphinism are deadly enemies of life, of health, and of the capacity for work and enjoyment; and a utilitarian must therefore consider them as vices. But this is far from demonstrating that the authorities must interpose to suppress these vices by commercial prohibitions, nor is it by any means evident that such intervention on the part of the government is really capable of suppressing them or that, even if this end could be attained, it might not therewith open up a Pandora's box of other dangers, no less mischievous than alcoholism and morphinism."

-- Ludwig von Mises in "Liberalism," 1927

The Mexican state of Campeche, tucked into the curve that forms the Gulf of Mexico in the south, is about as far from either the posh suburbs or the mean urban streets of North America as you can get. Arguably, there are parts of the region that have changed very little since Graham Greene wrote his 1940 novel about a whiskey priest on the run from an anti-clerical zealot in neighboring Tabasco.

Yet as last week's massive drug bust there showed, it is very much part of the international market place. The capture of 5.2 tons of cocaine at the airport in Ciudad del Carmen, flown in from Venezuela, is a reminder that as long as there are consumers who want to ingest illegal substances there will be suppliers. For every shipment that gets stopped you can bet nine others get through. We know this because decades into the war on drugs, prohibited narcotics are still widely available in the U.S.

The more disturbing lesson provided by the Campeche bust is the revelation of the underworld monster that prohibition has created and that is now emerging from the Pandora's box that Mises warned of. A mighty and unflinching organized-crime network is overwhelming Latin American law enforcement.

In the debate about Mexican immigration to the U.S. there has been a lot of legitimate criticism about Mexico's failure to create an economically viable environment for its

own people. When exporting human capital is a top priority something in the policy mix is dreadfully wrong and there is no doubt that the Mexican political class has a lot to answer for.

But the drug war also figures in the equation. Nobel economist Douglas North taught us the importance of institutions in development economics. Yet prohibition and the war on drugs are fueling a criminal underworld that handily crushes nascent democratic institutions in countries that we keep expecting to develop. Is it reasonable to blame Mexico for what enormously well-funded organized-crime operations are doing to its political, judicial and law enforcement bodies when we know that Al Capone's power during alcohol prohibition accomplished much the same in the U.S.? These are realities of the market, of supply and demand and prices under prohibition that no amount of wishing or moralizing can change.

A serious discussion about U.S. security interests has to begin by acknowledging the great *cost* of prohibition and the war on drugs to U.S. foreign policy objectives. A U.S. policy that unintentionally empowers brutal organized-crime rings is counterproductive to U.S. hopes for a stable and prosperous Latin America.

The problem is particularly acute for America's southern neighbor. Drug violence is spiraling throughout Mexico and innocents are paying the ultimate price. One target city is Nuevo Laredo where eight months ago Mexican federal authorities arrived to quell unprecedented cartel violence. Today the murder rate is up; the Mexican general who was in charge of restoring order has gone missing; the news media has suffered atrocious assaults, including a grenade attack; and there is concern that the government's anti-drug units have been infiltrated.

Last month four federal intelligence officers were gunned down in the middle of the day near a school. That's about the same time some 600 federal police were sent to the city as reinforcements.

The rest of Mexico is under siege as well. In February the police chief of an upscale district of Monterrey was gunned down. An April 21 report in the Los Angeles Times captured the attitude of the drug lords: "'So that you learn to respect,' read a message scrawled on a red sheet attached to a Guerrero state government building in Acapulco, where passers-by in the early morning hours discovered the heads of former Police Commander Mario Nunez Magana, 35, of the Municipal Preventive Police, and another man, who was not identified."

More than 140 people have been killed in drug violence this year in the states of Guerrero and Michoacan. The L.A. Times also reported that the beheadings occurred hours after the state governor "announced a \$12 million project to give more firepower to police, who say they often are outgunned by the cartels." Outgunned they were on March 26 in the border city of Matamoros. As reported by Knight-Ridder, three agents with Mexico's Federal Investigations Agency were chased through the city's downtown "where they were attacked by suspects armed with AK-47s and other high-powered

weapons."

Two more scary developments are notable. The first is the link between organized crime and political enemies of the U.S. In Colombia the rebel army known as the FARC is now a full-fledged narcotics trafficking operation. Officials believe that Venezuela, headed by the menacing Hugo Chávez, has become a major transit point for drugs. A 2006 State Department narcotics report noted that "rampant corruption at the highest levels of law enforcement and a weak judicial system" have made matters worse in Venezuela. Some in Mexico worry that drug money could play a corrosive role in July's presidential election.

A second, depressing development is the increase in drug consumption in poor countries as those doing the trafficking are paid in kind and push drugs locally to collect their money. A worthless weed has been made all the more dangerous by prohibition which gives it value and provides the incentives to get poor children hooked. Where's the morality in a policy with such pernicious, if unintended, consequences?

The question is not whether dangerous drugs are innocuous. Let's agree they are not. The question is which policy is best to manage the problem. We can't make that calculation until we face honestly all of the *costs* of prohibition and the suffering of our neighbors.

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