

BY ROBERT J. BARRO

TO BEAT COLOMBIA'S GUERRILLAS, LEGALIZE DRUGS IN THE U.S.



QUICK FIX:
A \$1.6 billion aid program probably won't work, but if cocaine were legal, the huge flow of funds to the guerrillas would stop

Several months ago I went to Bogotá to speak on economic issues. I had nice discussions about the ongoing recession, fiscal imbalances, and the independent central bank's approach to reducing inflation and allowing the exchange rate to float.

Yet it was clear then that standard economic issues are sideshows in Colombia. The country's future is wrapped up in issues of guerrilla warfare, drug trafficking, the political will to fight terrorism, and the efficiency of the military. It is remarkable that the democratically elected president, Andrés Pastrana, effectively turned over the southern part of his country to a guerrilla group, the FARC, to run the region as it pleases, mostly for the coca business. Pastrana would like to make peace with the guerrillas, but the FARC has little reason to negotiate with a weak, compliant government.

In response to the disintegration of legal authority and the expansion of the drug trade in Colombia, the U.S. Congress is considering a three-year aid package of \$1.6 billion to support Pastrana's "Plan Colombia." One reason that the Administration is supporting this plan is that Pastrana is a friend of democracy and human rights. In fact, Colombia has long stood out in Latin America for its democratic traditions. Unfortunately, however, Colombia may now have too much democracy, with its constrained central authority and poorly functioning army, to combat effectively the terrorist threat. The country would probably be better off with a figure like Peruvian President Alberto Fujimori who would be willing, temporarily, to suspend rights and democratic practices to defeat the guerrillas and reimpose law and order.

NEIGHBORING CRACKDOWNS. If the aid package is approved, Americans will end up effectively supporting both sides of Colombia's civil war. U.S. taxpayers will help finance the Colombian government's fight against the guerrillas. But American drug consumers will continue to finance the guerrillas' war with Bogotá.

Instead of Washington providing money to the Colombian government, we should begin thinking of curtailing the cash that American consumers send to the other side—the guerrillas. This could be accomplished, virtually overnight, by legalizing drugs in the U.S. People would still use drugs and pay for them (at lower prices), but at least the in-

dustry would no longer be connected to criminal activity.

To date, the focus of U.S. drug policy has been the curtailment of supply. Barry McCaffrey, head of the White House drug office, argues that Plan Colombia should be supported to achieve the antidrug successes of Peru and Bolivia: "Without additional U.S. assistance, Colombia is unlikely to experience the dramatic progress in the drug fight experienced by its Andean neighbors." Although Colombia has long been a major player in distribution, it became the world's largest grower of coca only recently, precisely because these activities became more difficult in the neighboring countries. There is no evidence that the antidrug successes in Peru and Bolivia curtailed the region's overall supply of drugs.

REGULATE AND TAX. Colombia has also experienced victories against the drug trade by wiping out the distribution cartels in Medellín and Cali. But the response was a shift of the network to other groups and places. If Colombia experiences more such victories, then the drug business may return to its neighboring countries, including fresh possibilities in Ecuador, or to other parts of the world. The fundamental problem would continue to be the high willingness to pay for drugs by users in the U.S. and other rich countries. This demand would be serviced at some price, somewhere in the world.

The U.S. does not have schemes like Plan Colombia for countries that produce tobacco or alcohol. The important differences between tobacco/alcohol and cocaine/marijuana/heroin are not that one group of drugs is more dangerous than the other, but rather that the former is legal and the latter illegal.

We ought to be regulating and taxing the presently illicit drugs as we do tobacco and alcohol. Doing so would not only raise tax revenues but would also save enormous resources presently expended on police and prisons. The freed-up money could be used, in part, to fund health programs for drug users and education programs designed to diminish the demand for drugs.

Instead, we seem to be moving on an inexorable path toward eventually managing tobacco the way that we presently treat illegal drugs. Prohibition should have taught us something. Our drug policy is a mess, seriously in need of a basic reorientation.

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