

Testimony by Mark H. Moore

Before the Judiciary Committee of the United States Senate

July 17, 1990

Introduction

My name is Mark H. Moore. I am the Guggenheim Professor of Criminal Justice Policy and Management at the Kennedy School of Government at Harvard University. I have been a student of drug and substance abuse policy since 1972 when I wrote my dissertation on heroin policy in New York City. From 1975-1975, I served as the Chief Planning Officer of the Drug Enforcement Agency, and assisted in the preparation of President Ford's White Paper on Drug Abuse. From 1979-1981, I served as the Chairman of the National Academy of Science's Panel on Alternative Policies to Prevent Alcoholism and Alcohol Abuse, and edited the Report of that Panel entitled, Alcohol and Public Policy: Beyond the Shadow of Prohibition. In recent years, I have tried to keep up with the changing face of the alcohol and drug

problems of the United States, and have recently published an article on the current epidemic of cocaine and crack use in the Yale Law and Policy Review entitled, "Drugs: Getting a Fix on the Problem and the Solution."

It is a pleasure to be here with you this morning. My task, as I understand it, is to discuss with you the implications of newly reported data indicating:

- 1) that fewer people in many cities, and in a national sample of cities are appearing in hospital emergency rooms with cocaine related problems;
- 2) that the purity of cocaine purchased on the street is declining;
- 3) that the wholesale prices of cocaine are increasing;
- 4) that the price of coca leaf at the farm level in many areas of South America has fallen.

I should say at the outset that I have not yet had a chance to independently verify the quality of these data, though I have some broad familiarity with the way that these particular data collection systems operate, and have a reasonable degree of confidence in them.

I should also say that, at best, these data offer early indications of a trend, not evidence of a well established one. One must wait several more quarters, and have the apparent trend continue, to be sure that what we are observing is something other than a random fluctuation, or a transient phenomenon.

Consequently, virtually everything I say this morning should be kept in the subjunctive mood: it is the set of conclusions that one could draw if the reported data were accurate, and if the statistical trends continued for several more quarters.

Still, the implications of these data are sufficiently important, and sufficiently complex, that it is worth starting to try to understand them now. If we start now, we will be in a better position to act if the apparent trend is confirmed.

Thus, I would like to discuss two questions: first, if these trends hold up, what implications could be drawn about the effectiveness of past drug policies; second, what would be the important implications for drug policy over the next several years.

Implications for the Effectiveness of Past Policies

If these trends hold up, the first and most important inference that could be drawn about the effectiveness of past policies is that something has worked to reduce the overall consumption of cocaine, and with that, some of the important adverse consequences of cocaine use. Reductions in emergency room visits are simultaneously an indicator of reduced drug use, and of reduced adverse consequences of drug use. Both are valuable. Thus, the data would indicate an improvement in at least some important dimensions of the problem. Ideally, other bad consequences of cocaine use such as overdose deaths and criminal violence would also soon decline, but there is not yet evidence of this. In any case, there is finally some good news in the war on drugs.

Second, these data are consistent with the claim (but do not necessarily and unambiguously show) that "demand side" strategies have been effective in dealing with drug use. The observed reduction in the rate of cocaine emergency room visits could well be evidence of a decline in the demand for drugs. That effect could have been produced by many different factors including:

- 1) The possibility that the epidemic of cocaine use had run its course, and that there were no more citizens who were susceptible to its use;

2) The possibility that drug users and potential drug users were learning from hard, personal experience that cocaine use was dangerous and harmful;

3) The possibility that national advertising campaigns and school-based programs designed to discourage school children to resist taking drugs were having an effect;

4) The possibility that many adults were now being discouraged from drug consumption by the threat of increasingly widespread drug testing programs among employers;

5) The possibility that drug users were now finding their way to drug treatment programs, and that these were succeeding in reducing drug consumption;

6) Even the possibility that some of the "root causes" motivating people to take drugs were somehow being alleviated.

Without additional evidence, it would be hard to know which of these mechanisms to credit, but it would not be inconsistent with the evidence to believe that demand

reducing experiences or policies were producing the attractive result.

The reason one cannot be sure that this effect was produced by demand side strategies is that the "demand" for drugs is not quite the same as the "consumption" of drugs. Demand for drugs refers to the desires of people to use drugs. Consumption refers to realized purchases and use of drugs. One cannot observe demand directly. One can observe reductions in consumption directly.

Because the concepts are not identical, reductions in consumption cannot be always be interpreted as reductions in demand. They could be that. But reductions in observed consumption could also be the result of price increases, or reduced availability that made it harder for any given level of demand to express itself in actually realized consumption. In short, some would-be drug consumers whose determination to use drugs remained unaffected might nonetheless have been discouraged from actually consuming drugs by increased prices or reduced availability.

Of course, there are many drug consumers for whom modest increases in price and inconvenience in purchasing drugs would have no impact. They are bound and determined to continue using drugs. But there may be some -- those who are exhausted and worn out by their drug use, those who have not

yet become deeply involved -- who are dissuaded. And it is these who might have reduced their use.

These observations lead to the third important inference that can be drawn from these data if the trend continues: namely, that they suggest (unambiguously) that supply reduction policies have succeeded in reducing the supply of drugs. By the supply of drugs, I do not mean the physical quantity of drugs that have been supplied (though, in fact, the data also indicate that). Instead, I mean the willingness of illegal drug dealers to supply a certain quantity of drugs at a particular price has been diminished. They are being discouraged from supplying drugs.

The reason that these data reveal an unambiguous reduction in the supply of drugs is that they show both a reduction in consumption, and an increase in price. Suppose for a minute that the demand for drugs was falling, and it was that fact that was producing the reduction in emergency room visits. If, in that situation, the willingness of drug dealers to supply drugs remained constant, the price would gradually fall, because there would be the same number of dealers trying to sell to fewer, or less eager, users. Yet what we observe, is the price increasing. What that implies is that, while the demand may have diminished, the supply must have fallen even more to produce a price increase! The amount of cocaine being supplied at any given price is now less than it was in the past.

This interpretation is bolstered by a further observation. The fact that we have price increases at the retail and wholesale level, and price reductions at the farm level suggests that the greatest pressure that is now being exerted on the supply system is at the level of collection and exportation in South and Latin America -- precisely the area where the governments of Colombia and the United States have recently been most active. Thus, there are some reasons to believe that supply reduction efforts against cocaine have finally begun to take effect.

In sum, these data indicate that something has worked to improve the drug problem in some dimensions. They are consistent with a hypothesis that it has been demand reducing policies that have been effective. But they also show unambiguously that supply reduction policies have been effective in reducing the overall supply of drugs, and that may have influenced the overall level of drug use.

Implications for the Future

If these trends continue, three important implications may be drawn for the future.

First, it is important not to cut back on supply reduction efforts directed against cocaine supply systems unless there is clear evidence that some aspects of this strategy are not being particularly helpful, or are particularly expensive. There is no final victory in supply reduction efforts. They operate like a tax on the supply system rather than as a cure for a disease. If one relaxes the tax, the supply system will once again increase.

Second, it is important to remain alert for the emergence of supply systems supplying new or different drugs. There are some indications that heroin may be making a comeback. True, these indications are mostly reports from law enforcement officials that could easily be seen as alarmist and self-serving. But it is worth remembering that the first indications of the cocaine epidemic were reports from law enforcement agents following a modest success in dealing with heroin in the early and mid seventies. If the heroin problem were once again increasing, it would be important to nip it in the bud.

Third, now is probably a particularly good time to invest in treatment capacity, and particularly at treatment capacity that can serve as an alternative to prison or jail for arrested drug users. If present trends continue, there will be many who will be seeking treatment either directly, or as a result of diversion from the criminal justice

system, or as a condition of probation and parole. Treatment is the domain in which many of the worst consequences of drug use including crime, ill health, unemployment, and family neglect are directly encountered and at least partially ameliorated. Public treatment programs, standing alone or allied with the criminal justice system, represent one of the most important ways that the society can reach into the hardest core of the drug abuse problem -- the problem of drug use in America's hard-pressed cities. For all these reasons, treatment must now be expanded to help make further inroads into what remains, despite some encouraging news, a very large national problem.

Thank you very much for your attention.