

COUNTERNARCOTIC EFFORTS IN THE SOUTHERN CONE: CHILE

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Counter Narcotic Efforts in the Southern Cone -Chile.

by

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Captain, Chilean Navy

A paper submitted to the Center of Naval Warfare Studies.

The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College, the Department of the Navy, the Chilean Government or any of its agencies.

Newport, 30 June 1990

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Abstract

A review of the current drug activity in Chile is made focusing on consumption, legal framework and law enforcing institutions responsible for counter drug activity. The possible role of the Chilean Armed Forces is discussed. The future of Chile as a potential principal country for drug trafficking is reviewed. Possible cooperative activity between the US and Chile on drug issues is considered.

Counter Narcotic Efforts in the Southern Cone -Chile

I. Introduction

The thesis that this study addresses is the following; should the current pressure on Colombia, Peru, and Bolivia curtail the drug activity in these countries, is it possible that a "hydraulic effect" would take place shifting the drug business south into the countries of the Southern Cone?.

The task was mandated by the Head of the Office of the Chief of Naval Operations, Western Hemispheric Plans and Policy Branch (Op-613) to the Center of Naval Warfare Studies (CNWS), part of the Naval War Colleges in August, 1989. Two studies were assigned by CNWS, one dealing specifically with Argentina¹, and the present one that concerns itself with the situation in Chile. Both follow similar outlines in form and content and should be thought as complementary.

To answer the thesis as stated, a research effort was conducted both in the US and in Chile. Two elements should be mentioned about the topic. First, the thesis being hypothetical, its "proof" is based on a mixture of opinion and facts. And the second is that in the drug industry, facts are a scarce commodity.

¹Grosso, Julio, Counter Narcotics Efforts in The Southern Cone- Argentina (Newport: Naval War College, CNWS, May 1990)

Most of them are incomplete, lack consistency or a statistical norm, and are usually colored by politics, both national and international. The combined effect of these two elements makes any prognosis on the drug issue highly speculative and explain the plethora of studies that can be found on the topic addressing any conceivable scenario. This work is an addition to this collection of information, the only claim to distinction being that it specifically targets the current drug situation in Chile.

The study will first describe the internal environment in Chile. The political and economic background as it exists today will be detailed. The drug issue as seen by the Chilean society will follow. The legal framework that supports counter narcotic activity in Chile will be investigated. A survey of the different agencies that have responsibilities on the drug issue will be made.

A second part will address the external environment, linking the Chilean counter narcotics efforts with those of other countries, especially its neighbors and the US. Shortcomings on the current situation will be pointed out and ideas on how to improve it will be made.

Finally, this work will confront the thesis mentioned above and will attempt to explore its feasibility.

The focus is mostly on consumption and trafficking of cocaine since that is the main concern in the US and cocaine is the drug implied in the thesis. Consumption and trafficking of other drugs in Chile will be briefly mentioned to place cocaine in its proper context.

II. Internal Environment

A. Chile, Geographical, Political and Economic Background.

Chile, a nation of 12 million people, has as its neighbors to the north Peru, and to the East, Bolivia and Argentina. The borders with Peru are around 80 miles long in the rugged Andean Cordillera. Those with Bolivia are close to 400 miles long in the high Andean plateau. The remainder, 2500 miles approximately, is shared with Argentina. The borders are imaginary lines in most parts, running along the high mountain peaks of the Andes. Numerous natural passages exist, some of them established as official border crossings, the rest loosely patrolled by police forces.

The Chilean people are a homogeneous group, with a high literacy rate, mostly conservative values, and living in what they perceive as a beautiful far away corner of the world. In 1973 political experimenting lead to the election of a marxist president on a platform to convert Chile into a socialist country. The trial failed miserably and tragically in 1973 when a coup established a military government that lasted until March of 1990. Today a

democratic form of government has been reestablished in Chile and transition ripples are still being felt on all aspects of life. The current issues being debated include strained civil military relations, investigations of human rights violations in the period 1973 to 1990, future direction of economic activity -free market, socialist, or mixed- and local politics. The drug issue is of low priority among society in general, the only ones seriously concerned with it being the people responsible in government to counter the drug threat.

Chile stands out among Latin American countries with its modern, market oriented, efficient and balanced economy, the result of deep structural changes initiated in the mid 1970s. The effort was impaired by the world recession and debt crisis of the early 80s, but since 1984 a strong recovery has been the trend, with sustained growth, diminishing unemployment, expanding trade, reduction to manageable levels of Chile's large foreign debt, and a booming internal market. Critics of the past administration generally agree with this description, but point out that the brunt of the effort has been borne by the poor with benefits going to the rich. An examination of this issue is, fortunately, not part of this paper since it would lead to endless allegations that are part of the political debate currently going on in every forum in Chile. What is important is the fact that Chile constitutes a strong and orderly economy, with a modern capital market well connected with other markets in the world. Foreign investment is encouraged by

clear and non discriminatory laws. Returns on investments are above world average especially those that use debt for equity swaps.

B. The Problem of Illegal Drug Consumption and Trafficking in Chile.

Public opinion in Chile does not perceive drug consumption as a major problem. Other issues, mostly related to the recent transition to a democratic form of government, fill the headlines. Drug related crimes appear from time to time in these headlines, but mostly in sensationalist tabloids with limited circulation.

Generally this perception conforms with the values of Chilean society and tight family budgets. More conservative in nature, family life makes drug consumption by any of its members more difficult to do surreptitiously. Low disposable income on the other hand, naturally limits the availability of drugs -especially cocaine or other high price drugs- to small elites.

The scarce facts obtained through the Ministry of Health contradict somewhat the above mentioned perception. Marihuana constitutes the preferred drug in Chile. Is locally grown in central Chile, in the regions near Los Andes and Rancagua. Lately an improved crop, with higher levels of THC (delta-9-tetrahydrocannabinol), has been imported from Colombia and is sold as "Chilombiana". Government estimates indicate that around 5% of all

Chileans between 15 and 25 years of age, smoke marihuana. Independent estimates raise this number to 30%. My estimate lies somewhere between these two extremes, perhaps closer to the official figure.

The second drug of choice is the illegal consumption of pharmaceuticals. The estimates again vary widely as to the extent of consumption. Some Benzodiazepines (Flunitrazepam, Lorazepam, Triazolam), Metamphetamines, Amphetamine and Fempropex are restricted to legitimate use by the employment of prescriptions forms controlled by the Ministry of Health, but an illegal secondary market exists. Other derivatives of these drugs are sold without prescriptions. The segment of the population that use this type is heavily dominated by women.

Cocaine is becoming a problem in the Northern part of Chile. Pure cocaine (Cocaine Hydrochloride) is available both in Santiago and the northern regions, but at prices of 30 to 40 dollars per gram. Considering that the minimum monthly wage is around 100 dollars, its use is restricted to the very few that can afford it. Coca paste (Bazuko) is becoming an affordable substitute. It is mixed with marihuana and smoked. Its consumption is widespread in the show business environment in the northern cities. The price of a match box of coca paste in Santiago is close to 65 dollars.

Finally solvents and glues are used by small children of low or marginal income families. Estimates indicate that in this group,

around 3% of children between 8 and 14 years of age use these types of drugs. Heroin is not used in Chile.

Drug use in Chile is treated as disease and not as a crime. Public Law 18.403, article 12, requires that those arrested by the police and found in possession of drugs judged to be for their own consumption, should be given appropriate tests by National Health Service, in order to determine if they are addicts. If they are, they are given mandatory treatment. If not, they are freed. The law is complied with by health authorities within budget constraints - normally severe.

The other aspect of drug abuse, trafficking, is again not perceived by public opinion as a major threat to society. Those who indulge in this offense are viewed as common criminals, their crimes affecting unknown others, never known individuals. This attitude -not shared by government agencies responsible for drug abuse prevention and repression- is due to ignorance. Geographical propinquity to Peru and Bolivia should raise some qualms regarding the threat to Chile of traffickers, especially in the North.

According to Carabineros (National Police), 12,000 Peruvians and Bolivians legally cross the border daily to do business in Chile. They come in cars, taxis, train, buses or on foot. Customs officials check for obvious contraband such a drugs, but the inflow of people is too large to cope. Additionally, there are an unknown

number of them who cross on foot through the numerous unguarded natural passes that exists in the border. The trip from Bolivia to the port of Arica might take a week or longer on foot. To protect themselves from the bitter cold nights, they bury themselves up to the head in the ground, continuing their journey the following day. Most of these people are undocumented. They are so numerous that deportation is simply not practical.

Statistics of cocaine coming into Chile by "ant smuggling" do not exist. Carabineros mentions that according to Peruvian sources, 500 kilograms of cocaine enter Chile in a month. The type or destination of this trafficking is not known. Since the amount is too large to consume locally, it would suggest that most is shipped to the external markets. The amount is also too large to attribute it only to "ant smuggling". Bulk shipment is also used, a fact that is proven by last year's seizure of close to 800 kilograms of cocaine hydrochloride. One large shipment was caught in a double wall inside an empty container shipped from Bolivia. Another involved the yacht Marco Polo from Miami. It sailed from Miami 13 January 1989, stopping in Buenaventura, Colombia, where 266 kilograms of cocaine were hidden in the hull. Later it stopped in other ports of Colombia, three ports in Peru, and Iquique, Huasco, Tocopilla and Talcahuano in Chile. In this last port Customs, the Chilean Coast Guard and the local US DEA agent arrested the crew and seized the drug. Another known shipment was made using the port of Tongoy. A private plane carrying the drug flew directly from

Colombia to Tongoy, from where the drugs were transferred to air containers carrying legal exports and flown to Miami. Arrest of at least one Colombian national was made, but the charges were dropped for lack of evidence and he was deported. No drugs were seized.

These are the only hard facts. But it is clear that they constitute just a fraction of what makes up the drug flow that uses Chile as a route. The details of this route are unknown. Once a seizure is made, the pattern changes and adapts to the new conditions.

There are two circuits, however, that while physically known, constitute a mystery to Chilean law enforcement agencies. In 1904 Chile and Bolivia signed a treaty ending the Pacific War of 1879. By it Bolivia relinquished any claims to territory in the Pacific Ocean, and in return Chile granted perpetual and free access to the ports of Arica and Antofagasta for goods to and from Bolivia. In observance of this treaty, Bolivia has in both ports its own "free zones" where any shipment that goes to that country passes, without any inspection, directly to appropriate transportation to be delivered to its final destination. Similarly, any export commodity generated in Bolivia, passes without inspections through Chilean territory and is shipped anywhere in the world.

On the question of money laundering, the existing evidence is contradictory. A recent report ordered by the Ministry of Foreign

Affairs does not support the allegation that Chile is being used at the present moment for money laundering. It reviewed banking deposits in the northern first region (neighboring Peru and Bolivia) in the period January-May 1989. The study found an increase of banking activity beyond the national average, but not large enough to attribute it to money laundering.

An opposite conclusion can be drawn by analyzing the destination of goods sold in the "free trade zone" ports of Iquique and Arica. The "free trade zone" -a legal institution established in the 70s to promote economic activity in the region - trades with three physical areas. The first one is its own contiguous zone, serving the ports of Arica and Iquique. The second is the rest of Chile, an activity that has to pay duty taxes. And the third is to Peru and Bolivia. In 1989 this third activity constituted 29,9% of volume of sales and amounted to \$US 265,8 million. The numbers and the increase in volumes over the past years indicate that many Peruvians and Bolivians are spending large amounts of dollars in Chile to buy all sorts of goods sold in Arica and Iquique.

Coca plants do not grow in Chile due to adverse climate and drug refining has not been evidenced in the last 17 years. This was not the case in the early seventies. According to former DEA agent Charlie Cecil², "the modern, criminal cocaine trade was a cottage

²See Guy Gugliotta and Jeff Leen, Kings of Cocaine (New York: Harper and Row, 1989) p.23.

industry based in Chile and controlled by a few refiners who bought coca leaf and paste from Peru and Bolivia, transformed it into cocaine in Chilean laboratories and sent it north to the US". This changed after the September coup. Most of the traffickers were jailed and deported by the end of the first year of the military government. The trade moved to Colombia, and the evidence suggests that they have stayed out of Chile ever since.

There is no evidence of involvement of terrorist groups in the drug business. Their primary source of support continues to be Cuba and supplemented by money obtained through bank robberies.

C. Legal Framework.

There are two complementary sets of regulations that make up the legal framework that counter drug abuse in Chile. The first is composed by three International Conventions that have been ratified by the Chilean government. The second comprises a collection of laws and interrelated decrees promulgated by the Chilean legislature.

The first set establishes what constitutes drug related crimes, sets up permanent international governing institutions to control drug trafficking and establishes procedures that individual states should follow. They are helpful in forming a base from which governments should act in concurrent ways and serves as a forum for

cooperative activity. But as all international conventions, the individual countries are sovereign to adopt their recommendations subject to their own self interest. Such is the case of the Drug Convention of 1961, ratified by Chile in 1968, the South America Agreement on Drugs and Psychotropic Substances of 1973, ratified by Chile in 1980, and the recent UN Convention Against the Illicit Traffic of Narcotics and Psychotropic Substances of 1988, ratified by Chile in March of 1990.

The Convention of 1988 is worth mentioning since it addresses two new aspects of the counter narcotic effort and represents an update of the earlier one of 1961. Its article 3 calls for regulations on economic activity that can be used for the purpose of money laundering and it also addresses the problem of controls of chemical precursors used in the manufacture of drugs. By ratifying this convention, Chile is forced to update its current drug control laws in these two aspects in which it is sorely lacking.

The second set of regulations are comprised by a basic law and a number of complementary decrees. This set represents the operational norms by which the judicial system functions. Chief among them is Public Law 18.403 of 1985, which establishes the crime of narcotrafficking in its various facets, specifies in generic terms the drugs controlled or proscribed, and sets prison terms for different situations. The complementary decrees, 404 and

405 of 1984, and 67 of 1985 define by name the drugs affected by Public Law 18.403 and establish control procedures for those that have medical use. They include, among others, such natural drugs as coca leaf and its derivatives, opium and its derivatives as well as prescription drugs. This set of laws and decrees is supplemented still by a number of other ones that define the role of the government agencies in charge of regulating and policing all drugs used in Chile.

As mentioned previously, the drug laws do not address the problem of chemical precursors. Production and open sales of ether and acetone is a legal activity in Chile. At least two industries produce them and sell them to whomever needs them. This aspect is being addressed since the recently ratified Convention requires that Chile regulates the production and sales of twelve chemicals considered as precursors. No date can be given as to when this will occur.

Banking laws protect the secrecy of accounts making money laundering, if not easy, possible. Here again the Convention of 1988 requires that Chile draft laws not permitting this activity. But this issue is more difficult to put into practice without interfering with legal business transactions. The US is currently negotiating with the government of Chile for a bilateral treaty to combat money laundering. The terms of the agreement, proposed by the US, are viewed with suspicion in the banking community in Chile

for increasing record keeping -the filing of currency transaction reports (CRTs) for deposits or withdrawals of over US\$ 10,000 would be required- and being a potential open avenue for all sorts of investigations. Acceptance of this treaty is uncertain at the moment.

One further aspect should be mentioned regarding the legal framework for counter narcotic activities in Chile. Chile has never been exposed to organized crime. This fact has lead to legal codes and law enforcement practices that would be judged as ineffective in the US. Such common tactics as "sting" operations, use of undercover agents, payment to informants, controlled sales, plea bargaining, use of seized asset by police, etc, are not only nonexistent in Chile but are illegal. The current crime prevention laws and the police practices that unfold are conservative, unimaginative, and generally ineffectual. Law enforcement agencies usually react, their initiative curtailed by outdated codes that were applicable for social behavior of the 19th century.

D. Drug Enforcement Agencies.

There are two primary law enforcement institutions in Chile. Carabineros de Chile, the national uniformed police, is an institution created in the decade of the 20s by the merging of all local police forces. It is constituted by a body of around 25,000 men, organized in a military structure. Its basic mission is crime

prevention. The other institution is Investigaciones de Chile, the civilian police. It numbers close to 8,000 men. Its mission is crime investigation. Both institutions currently depend on the Ministry of Defence and their scope is national. Carabineros and Investigaciones are the main agencies engaged in counter narcotic law enforcement activities in Chile. But they are not the only ones. Customs, the Direccion General del Territorio Maritimo (DGTM) -the Chilean Coast Guard-, the General Staff of the Armed Forces, the Ministry of Justice and the Ministry of Health are also involved in the effort. A brief outline of these institutions, their mission and problems follows.

1. Carabineros de Chile. Carabineros' counter narcotics efforts are channeled through its special operations (OS-7) department. It is composed of around 400 policemen distributed in the major cities. The blurred distinction between crime prevention and crime investigations is solved by not making any distinctions. This fact tends to put OS-7 in direct competition with Investigaciones, a situation that leads sometimes to antagonism. OS-7 has a reputation of being small, under equipped but effective. Its major strength is its integrity, a fact that can be attributed among other things to its policy of constantly rotating personnel in line with its military structure. The DEA agents attached to the embassy in Santiago deal almost exclusively with OS-7.

2. Policia de Investigaciones. The civilian police has a special division (Divisicn de Narcoticos y Drogas Peligrosas) to counter drug activities. The type of work that they do is similar to that of OS-7. One distinction is that detectives tend to specialize and therefore possess better technical information on drugs than their counterparts in OS-7. The drawback is that familiarity breeds corruption, a problem that -while not widespread- is affecting Investigaciones. Steps are being taken to correct this problem but it will take a long time for public opinion to change its perception on the subject of integrity in its civilian police force.

3. Direccion Nacional de Aduanas. Customs does not perceive itself as a law enforcement agency, nevertheless their presence in most ports and border passes puts them in the front line in the counter narcotic struggle. Its small size -1,100 men and women total- does not allow more than spot checks of incoming and outgoing goods. A large part of their effort is in the line of advising the Ministry of Finances on the subject of customs policy and implementation. They work closely with Carabineros and in some isolated border posts Carabineros takes on the function of Custom Agent.

4. Direccion General del Territorio Maritimo (DGTM). This is the Coast Guard, part of the Chilean Navy. The law gives DGTM jurisdiction on all law enforcement activities, including Merchant Marine affairs, on the littoral of Chile. As such it performs the same functions that Carabineros and Investigaciones do on land. Its

knowledge and readiness in counter drug activities is elementary and is currently seeking aid in the form of training and information from its US counterpart. They cooperate with the other institutions on drug issues but the relation is based more on good will than a policy decision.

5. General Staff of the Armed Forces. The Armed Forces per se do not have a role in internal law enforcement activities therefore are not directly involved in counter drug activities. Some agencies however, such as DGTM, do depend on, or are part of, the Armed Forces. Also, the fact that both Carabineros and Investigaciones are part of the Ministry of Defence makes the General Staff of the Armed Forces a logical coordinating body. This coordinating task, however, has not been given to anyone in government therefore, the efforts that it is currently making in this area have not found an echo in some institutions.

6. The Ministry of Justice. Through the Consejo de Defensa del Estado (Council for the Defence of the State), the Ministry of Justice represents the government or any of its institutions in the prosecution of certain crimes which affect its patrimony, its functions, or the public interest. Among the crimes within its scope is drug trafficking.

7. The Ministry of Health. The Instituto de Salud Publica (National Institute of Public Health, part of the Ministry of Health,

is the National Laboratory in charge of approval, setting standards and norms for consumption of any drug sold in Chile. It also supervises private laboratories on matters of quality control.

E. National Antidrug Policy.

Lack of a policy can be sometimes just as damaging as a bad policy. If there is a case that proves this generality, it is the current situation in Chile's counter narcotics efforts. Chile's legal framework and law enforcement institutions to counter illicit drugs have been outlined in the preceding pages. They are numerous and often conflicting. Yet there is no coordinating policy to focus their effort. The results are predictable. The legal structure that supports these efforts is static and has become obsolete. Its shortcomings have not been brought to the attention of lawmakers since those who know most, generally those on the operational aspects of the issue, can not agree on what should change. Some agencies perceive the drug issue as a source of power and budget increases. For others it is a question of pride, not letting their institution become subservient to others. Most of them are doing all they can within their limited resources but their individual efforts are consumed often on problems already solved or under investigation by a parallel agency. Cooperation is an act of good will, not policy.

As already mentioned, the General Staff of the Ministry of Defence has drafted a coordinating policy and is trying to sell it within the government ministries and agencies. It is too early to predict the outcome of this attempt, but coming from a medium level establishment within the bureaucracy, the chances of it becoming national policy are low.

The flurry of international conferences on drug interdiction, the increasing awareness of the drug threat to society, and direct diplomatic pressures currently being levied on the government of Chile, mostly by the US, have convinced me that a coherent policy to counter drug consumption and trafficking will soon be established.

III. Cooperative Counter Activities.

A. Chile in the Antidrug International Forum.

Chief among the many links that bind Chile with the world antidrug effort is the Vienna Convention of 1988 which became part of its jurisprudence by its ratification on March 13, 1990. As mentioned before, this act will force changes in the current law related to drug trafficking.

Chile participates actively in a number of antidrug organizations, some part of the UN, others sponsored by the OAS, and the

rest independent of international organizations. The list is numerous³ and their effectiveness is questionable. The compacts agreed upon in the numerous international meeting held every year are always subject to the local politics and laws of each state. Nonetheless they serve as forums to interchange ideas and review policy. The most recent activity has been a meeting of Ministers responsible for counter drug policy in Ixtapa, Mexico in April 1990, and a CICAD meeting held in Buenos Aires in March, 1990⁴. Both meetings were sponsored by the OAS.

On an operational level Investigaciones and Carabineros work closely with Argentina's Federal Police. Besides constant direct consultations and cooperation, they are linked by the International Drug Enforcement Conference (IDEC) sponsored by the US DEA. Together with Argentina, Paraguay, and Uruguay, the group has agreed to conduct simultaneous counter drug operations. The results of an operation held in August of 1988 can be judged as mixed⁵.

³CICAD (Comision Interamerican Contra el Abuso de la Droga, OAS), ASEP (Acuerdo Sud Americano sobre Estupefacientes y Psicotropicicos, Autonomous with offices in Buenos Aires), ILANUD (Instituto Latino Americano de Naciones Unidas para la Prevencion del Delito y Tratamiento del Delincuente, UN), FNUFUID (Fondo de Naciones Unidas para la Fiscalizacion del Uso Indebido de Drogas, UN), JIFE (Junta Internacional de Fiscalizacion de Estupefacientes, Autonomous with offices in Vienna), INTERPOL (International Police, Atonomous with offices in Paris), HONLEA (Reunion de Jefes de Organizaciones Nacionales de Represion del Uso Indebido y del Trafico de Drogas, UN)

⁴For a review of the CICAD meeting in Buenos Aires see Grosso, p. 36-39

⁵A review of this operation can be found in Grosso, p. 34

With Peru's PIP (Policia de Investigaciones Peruana) there are formal contacts but no real cooperation. There is no cooperation at all with Bolivia's police as the two countries have had a history of tense relations, especially in the last three decades. The only common linkage between the two police forces are the US DEA agents attached to the US embassies of each country.

The US DEA has close working relations with Carabineros. They regard the OS-7 group as a highly motivated and effective police force albeit undermanned and precariously equipped. Combined operations are common.

International activity in countering drugs, especially in the Western Hemisphere, is driven mainly by US pressure. In some countries such as Colombia, the drug problem has risen to become a threat to the survival of the state. In others such as Chile, the drug problems is seen as foreign. In the first case, countries have adopted policies that transcend the minimum requirements established by international standards. In the second, national policy lags behind.

B. The Chilean Armed Forces and the "War on Drugs".

Traditionally the Chilean Armed Forces have been employed by the government in law enforcement activities especially during labor strikes or national elections. There is no Chilean equivalent

to the US's Posse Comitatus Act of 1878. Nevertheless, the activities of the Armed Forces in law enforcement have always been in a preventive vice repressive context.

This fact is especially relevant today, during a laborious transition process from a military to civilian government. Reestablishment of normal civil military relations is an objective of both government and the Armed Forces. The recent experience during the military government, of using the Armed Forces in internal law enforcement, was usually ineffective and exhausting. A return to these practices is unwelcome by all Chileans, either civilian or military.

Counter drug activity is viewed as a police matter by all institutions of the Armed Forces, and an operation whose level of activity does not justify taking it away from those who constitutionally responsible for combating it -Carabineros and Investigaciones. Beside this, the Armed Forces do not have the training to insert themselves in this struggle. Therefore it is not surprising to find that the three institutions are wary of getting involved. The Navy is the only one willing to commit part of its forces -the Coast Guard- to this task. And only because it is part of its peace-time mission.

Should the drug problem become a national issue that threatens the security of the state, the Armed Forces will be called to

participate in the struggle, but that threshold is perceived by both government and Armed Forces as distant.

This attitude is bound to create some problem between the US military and their Chilean Counterparts. As the US Armed Forces are pressured by public opinion and Congress to get involved in the "War on Drugs", they are struggling to find its proper mission. Meanwhile they are getting involved, albeit not willingly. The traditional symbioses of missions between US Armed Forces and those of its Western Hemisphere allies is a constant in history and is becoming evident on this issue. The US Southern Command is involved heavily in designing counter drug strategy and assumes almost instinctively the involvement of South America's military. The lack of enthusiasm by Chile's military in such an approach can be predicted, evidences of which were obvious in a recent visit by General Maxwell Thurmond to Chile in March of 1990.

The prognosis does not need to be so grim. There are areas where interaction between the US military and its Chilean counterpart would be both useful to the counter drug issue and welcome. Most would employ the fact that the Chilean Coast Guard and the Civil Aeronautics Board depend respectively on the Chilean Navy and Air Force. Intelligence sharing is an example. The extended Chilean coast projects a vast exclusive economic zone. Patrolling in its full extent is beyond the Chilean Navy's capability. Sharing satellite information of this vast area would improve control of

smugglers, especially in the area off the northern ports of Arica, Iquique and Antofagasta. Another one would be to improve the air control system in the region bordering Peru and Bolivia in order to curtail air trafficking coming from these two countries. A third area could be to expand the ties between the Chilean Coast Guard and its US counterpart. None exist today and the Chilean Navy would welcome them. There are others, dominant among them is the need to reestablish the close ties that have linked both institutions for many years by rekindling the feeling of camaraderie somewhat lost by years of politicking.

C. The Question of US Assistance.

Military to military cooperation is just one of the possible avenues of cooperation between Chile and the US. The police forces and other agencies involved in counter narcotics have a long way to go in cooperative efforts. The US DEA has been an active participant in Chile for a number of years. It joins the police forces in operational level activities. This effort could be expanded to include customs, tax and health officials in Chile in order to make them aware of the problem in the US and to allow them to see what the US is doing about it.

Assistance is always welcomed, the problem is defining what is needed and whom to give it to. Considering the unstructured counter narcotics effort in Chile at present, this constitutes the real

obstacle in any such endeavor. It is clear that Chile has the manpower to deal with the current level of drug activity. Material support in such specialized items as X ray machines, communication and transportation equipment, etc. are needed particularly by police and customs. But above all, what is needed is information sharing between parallel services in both countries on their experiences on the drug issue. Exchange programs such as those taking place between military services for years now, are rare in civilian agencies. And the mutual lack of knowledge about each others' problems is evident in general and in the drug issue in particular.

US policy makers have belatedly become aware of the strong nationalistic nature of most Latin American nations. The Big Stick diplomacy of the early part of this century might have something to do with this. Policies toward Chile on the drug issue should consider this factor, especially now after more than a decade of tense relations. There is no simple answer on how to get around this sensitive problem. The best advice I can render is to realize that Chile is an independent country, whose national agenda is different than that of the US, and whose problems -including drugs- has to be solved by them. Assistance is welcomed but to solve problems perceived as in Chile's national interest. The key is to find the middle ground where both the US's and Chile's national interest coincide.

IV. Future Trends

The thesis that initiated this study was mentioned in the introduction. An analysis will be made to investigate its feasibility.

The term "Hydraulic Effect" is a good description of the potential effects of continued pressure on Colombia, Peru and Bolivia on the flow of the drug business in the future. The term also allows us to use some of the principles of physics to structure the analysis. For if the effect is to take place in the drug flow, it would require -just as it would in the physics of incompressible fluids- conditions in the new route similar to those found in the original circuit. If the conditions do exist, the flow would expand following the path of least resistance. If, on the other hand, they do not, the flow will just constrain itself to the original circulation or seek other paths to expand.

The conditions that I find relevant in this analysis are: geography, relative position to sources and markets, national institutions, and national character. By looking into these aspects I believe a strong argument can be made on the future trend of drug consumption and trafficking in Chile.

A. Geography.

What is important in Chile's geography for this study is its lack of dense rain forest or other terrain where illicit activity could be accomplished undisturbed by police forces. Its northern territory includes the driest dessert in the world. Temperatures at night are well below the freezing point, and in the day they soar. There is a lack of running water, an essential part of drug refining. The center part of the country is heavily populated. Terrain conditions are more benign, but there is no secluded corner to set up any major hidden drug refinery. The south is heavily wooded, but climatic conditions, cold and wet in the winter, would require that any activity invest in heavy and expensive installations. Besides, its isolation would make evident any increase in activity thus inviting surveillance.

Climate does not allow the growth of the coca plant. The only drug related plant that grows in Chile is cannabis. Some of it legally in order to make string, some illegally to sell as marihuana. Its production is small and its quality is poor.

B. Relative Position to Source and Markets.

Focusing on this element isolated from the rest, it would seem that Chile is located in a good position relative to the sources of coca leaf. A closer look at where the plant is grown in Peru and

Bolivia -the upper Huayaga Valley and Santa Cruz region respectively- reveals that they are far from the Chilean border, on the eastern slopes of the Andes. Land transportation of coca paste would be difficult due to lack of roads in the area. Air transportation is a possibility with the only impediment being the huge Andes mountains, a difficulty easily surmounted by experienced pilots and adequate aircraft.

The northern territory of Chile is located more than double the distance from Medellin to Florida. This would curtail the primary mean of direct transportation of drugs from Colombia to the US -small airplanes. Profits in the drug business, however, are so large that cost of transportation is insignificant. Therefore the added distance of Chile to possible markets in the US and Europe is not an impediment to its growth. Sea routes employing the large fishing fleet that abounds off northern Chile's coast or general cargo aboard merchant shipping, could distribute all production to any market in the world.

Other alternative locations that offer similar characteristics can be found in Ecuador. Considering the extensive Amazon, Parana and Paraguay riverine systems, they also include western Brazil, northern Argentina and Paraguay.

C. National Institutions.

Focusing on Chile's national institutions in the moment of a major transition process invites controversy. It is important to do it anyway since the lack of strong institutions, strong enough to withstand the enormous pressures that the drug cartel can exert, explains the reason why these activities flourish in some countries and not in others. The important ones are the government, the police and the armed forces.

Government, whether civilian or military, has always been strong and has dominated all aspects of Chilean life. It has often been blamed for stifling economic development through a multiplicity of legislation and controls. While this has been somewhat curtailed in the recent years, giving rise to a flourishing economy based on the private sector, the government still maintains a large share of power. It has numerous and sundry means to monitor and influence every activity. Tax laws, for example, are modern and enforced. Unlike most of the countries in Latin America, people and corporations in Chile pay income and other taxes, and those who evade it are caught and prosecuted. It is highly unlikely that an illegal trade could flourish in Chile without having the government moving in to investigate it.

The judicial system is independent and in bad need of modernization. Its overworked members are often the focus of

criticism for their slowness. But their integrity has never been questioned.

As has been mentioned, there are two national police forces in Chile. The smaller one, the civilian police, is passing through a difficult period and is trying to clear its image. Its willingness to recognize the problem of corruption within its fold and to talk openly about it to the press is an good indication of its commitment to cleanse itself. The larger one, Carabineros, is clearly one of the best of its kind in the world. It is a highly motivated, disciplined hard working institution that poses a difficult hurdle to potential organized crime.

And finally there are the Armed Forces. Public opinion is divided in its judgment about them due to their recent experience in government. While opinion on the issue of performance as governing institutions vary -depending on the ideology of those doing the judging- their effectiveness as military organizations is unquestioned. The years of being in power did not divide them, allegations of corruption while in power are nonexistent, and they proved impervious to outside lobbying. While they do not have direct responsibility for law enforcement activities, the constitution gives them a role in these activities when national emergencies or states of siege are declared. The experience of the emerging drug business with the armed forces in 1973 is a good

signal of possible consequences to anyone planning to revive the activity in the future.

D. National Character.

The last element I want to analyze is subjective in nature and open to debate. But I feel it is important since it is the one that sets countries apart and characterizes nations. This element is the character or values of a nation.

Living in one of the last corners of the world, Chileans have developed a unique character that sets them apart from other nations. They value independence but are practical about it. They are highly nationalistic, always feel as the last man in the totem pole, like authority, and when motivated can do remarkable things. Most like to be led, not become leaders. They like jobs not independent entrepreneurial activities. They suspect, or envy, those who are prosperous in any endeavor. Their utopia is a successful socialist economy where everybody shares the success of others. They are conservative.

Drug lords such as those existing today in Colombia are contrary to the character of most Chileans. Most would inquire into the new found wealth of anybody and if fault were found or suspected, they would force the government to correct the abnormality. The only successful trafficker would be that one that was

clever enough not to appear successful, a difficult job in such a highly profitable business.

Based on the argument that the elements in Chile are different that those found in Colombia, Peru or Bolivia, my prediction is that the drug trafficking is not going to flow south and convert Chile into a replacement of Colombia. The condition of the two countries are sufficiently different to make the hypothesis highly unlikely. However, there are two aspects of drug trafficking that could use Chile as an important factor. One is as a transit route. Its closeness to Peru and Bolivia and its extensive, mostly unguarded coastline, offers numerous opportunities for illegal shipment of coca paste to be delivered anywhere in the world where conditions exist to refine it. The second is money laundering. Its buoyant economy and modern banking and financial business sector could be used to cover illegal profits into investment.

Drug consumption will probably continue to rise as the economic situation improves. Marihuana will maintain its preeminence and cocaine, due to its high value, will not become an epidemic.

V. Conclusions

The problem of drug consumption and trafficking in Chile is increasing but is yet far from becoming a major issue. The critical

internal political situation of the country -the transition from a military to civilian government- has pushed the issue of drugs further down in priority in public opinion. This view is not shared by those officials responsible for counter drug policy and its implementation.

A number of agencies have responsibilities on drug issues. Chief among them is Carabineros and Investigaciones. The first has proven effective, the second in need of an ongoing restructuring. The rest are small and less broadly focused. There is no coordinating strategy to center their efforts.

Legislation on drug issues has become obsolete and has some key elements missing such as control of chemical precursors and regulations preventing money laundering activities. Police practices, as allowed by the law, are very restrictive and conservative in nature.

Chile is part of the world community that is fighting drug trafficking and consumption. It is a member of numerous organization and has signed and ratified most conventions on the subject. Their usefulness can be judged only as marginal.

The Chilean Armed Forces have a limited role in counter drug activities through the Chilean Coast Guard -part of the Navy. The three institutions are wary of involving themselves in counter drug

activity. The government, public opinion and the Armed Forces agree that the level of activity of drug trafficking has not surpassed the ability and capacity of the police forces.

US assistance, especially to Chilean Coast Guard, customs and police forces would be welcomed. Information sharing and training are the activities that would be most cost effective to fund.

The "hydraulic effect" suggested by the thesis of this paper is unlikely to occur. The conditions of Chile, especially those of climate, institutions and national character, oppose the fulfillment of such a hypothesis. The only issue that could become a problem in the future is drugs crossing through Chile and the use of its extensive and modern banking system in money laundering.

Chile is ready to cooperate with any US effort to curtail the illicit drug flow. But its national agenda is different than that of this country. It is therefore not surprising if drug related matters do not progress with the celerity anticipated by US public opinion. The scenario calls for imaginative bargaining between the two governments to close the perception gap. Foregone are the days of militant US diplomacy toward Latin America. The excellent relations maintained by the US Navy and its Chilean counterpart can be put to work to serve as mediators between conflicting views on this and other issues. Should this idea materialize, it would prove

to be a major contribution toward the common goal of eradication of the drug scourge from both nations.

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2. Guy Gugliotta and Jeff Leen, Kings of Cocaine (New York: Harper and Row, 1989).

In addition to the refereces listed, the following persons were interviewed to obtain information retalated to this study:

-Colonel Jerko Raffo, Colonel Pedro Aguilar and Lieutenant Walter Espinosa from Carabineros de Chile.

-Captain Alex Waghorn and Commander Manuel Cofre from the Chilean Coast Guard.

-Subprefecto Clodomiro Vergara from the Policia de Investigaciones de Chile.

-Mr. Nicolas Martin from the Direccion Nacional de Aduanas.

-Mr. German Guerrero from Ministry of Foreing Affairs.

-Mr. Ignacio Gonzalez from the Chilean Delegation to the OAS.

-Rear Admiral Ariel Rosas from the Joint Staff of the Chilean Armed Forces.

-Mr. Rene Gozalez Special Agent attached to the US Embassy in Santiago, Chile.

The Ministry of Health (Instituto de Salud Publica) issued a writen reply to a questionnaire. Additional information on health matters was provided by Dr. Roberto Laihacar, psychiatrist of the Military Hospital in Santiago.