

A Transformational Drug Policy Proposal

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Summary: Ending the cultivation of narcotics producing plants through short-term agricultural subsidies, backed up by total crop elimination, advances the rise of long-term democracy in Afghanistan and the Andean region. In addition, because of vast cost differentials between rich and poor nations, subsidy granting U.S. and/or EU nations save billions of dollars annually in the social costs of drug use, and also curtail a major funding source of international terrorism.

The Economic Costs of Drug Abuse: According to the most current data available, the social or ‘societal’ cost of drug abuse in the U.S. in 2002 was \$180 billion.² This amounted to 1.8 % of our then GDP of \$10 trillion. For 2007, estimated U.S. GDP is \$13.9267 trillion, an almost 40% increase over 2002, giving an estimate for current U.S. societal cost of drug abuse to be approximately \$250 billion.. The major categories in this accounting include (i) lost productivity, (ii) health care, (iii) crime related, (iv) other – including cost of goods and services lost to crime and social welfare costs. This summation includes all illicit drugs, not only heroin and cocaine; however, based on other data we estimate 60% of this total (\$150B) to be costs attributable to heroin and cocaine (Appendix 1).

In direct contrast, poor Colombian farmers, who supply over 90% of the heroin and cocaine used in the U.S., receive only \$1 billion for the cause of \$150 billion in cost and trouble in the U.S. Thus our objective is now clear: offset the \$150 billion in societal cost to the U.S. by employing an investment strategy that allows the farmers to maintain their livelihoods without recourse to illicit drug crops. We propose to invest a portion of the \$150 billion in Transformational Drug Policy.

Transformational Drug Diplomacy is an Agricultural Subsidy

The “Transformational” key behind the drug policy suggests that poor nation drug producing treaty partners be subsidized as compensation for the cessation of drug plant cultivation for a period of one decade: ten years. All actual drug crop farmers will be compensated at their prior incomes, for this period, so that alternatives in crops and occupations may take root. This eliminates any charge from farmers that they have been deprived of providing a livelihood for their family, today’s most often repeated argument against forced eradication. In principle they will now have no economic reason, either against learning how to cultivate alternate crops, or to gain new occupational education. Agricultural subsidies also have the added value of making control, including forced eradication, entirely fair and just, because now there is no family-based argument to receive compensation and jeopardize that same family by still cultivating drug plants. This will require an approach with both sanctions / effective law enforcement and economic incentives that are sustained over the 10-year period. (In general 3-4 years are needed

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² The Economic Costs of Drug Abuse in the United States, 1992-2002. (Office of National Drug Control Policy Washington, DC, 2004: Executive Office of the President. Publication No. 207303
http://www.whitehousedrugpolicy.gov/publications/pdf/economic_costs98.pdf

to establish a new agricultural crop, while 8-10 years are needed to develop transportation, storage, and other infrastructure needed to support the market and other complementary initiatives).

It might be noted that U.S. agricultural subsidies have averaged \$16.5 billion over the past decade, much of it paid for land not cultivated at all, much less not cultivated to produce an illicit product. Similarly, EU agricultural CAP subsidies average almost \$100+ billion annually. (The EU is the primary recipient of the bulk of opiates cultivated in Afghanistan.)

Initial partners are Afghanistan and Colombia: The ideal partners for drug diplomacy are Afghanistan and Colombia. Afghanistan produces 93% of the world's opiates. (UNODC, Nov 15, 2007 Brussels speech by Executive Director, Antonio Maria Costa) "...the resultant crop is estimated at a record 8,200 tons. That's one-third higher than last year. The drug-based economy is half the size of country's official gross national product." We already know that Afghan drugs fund terror and that the Taliban is rearming using drug funds. Security analysts fear that a future biological, radiological or nuclear terrorist event has a high likelihood of having been financed by Afghan poppies. Pakistan, a nuclear power, is a threatened nation, where both al-Qaeda and Taliban have sanctuaries in the tribal areas along the Afghan border and affiliations in the Pakistan military. This is a breeding ground of Islamic terrorism, what many call a geopolitical nightmare. Taliban, funded by Afghan drugs continue to infiltrate, with assistance from Pakistanis.³ Afghan drugs finance killings elsewhere - in Pakistan, Iraq, Spain, the U.K. Netherlands, etc.

Colombia is the major producer of cocaine and its derivatives (90% of U.S. consumed cocaine is Colombian) and is the major supplier (86%) of heroin consumed in the U.S.. Colombia produces over 700 metric tons of cocaine annually. Rural poverty is severe; 48% of the population is impoverished. Yet drug plant cultivation occupies only 1/10th of 1% of the land.⁴ Drug plant cultivation is 70% concentrated in the under-populated south and southwest regions. Sustained interdiction can increase the marginal cost of cocaine, but does not fundamentally affect its profitability. Spraying results in "slash and burn" tactics at ever-increasing distances from spray bases. The FARC, AUC and ELN in Colombia are known to receive large amounts of drug funds.

In a directly related problem, we are now engaged in anti-drug diplomacy with Mexico, the primary transit route to the U.S. for Colombian drugs. The proposed "Merida Initiative" is intended to improve the efforts of both nations along the U.S. -Mexican border.⁵ Trafficking of Colombian narcotics has a severe consequence to Mexico, corrupting police, public officials and fueling ongoing drug gang violence, both in Mexico and the U.S. Reducing drugs from Colombia is a key to U.S and regional interests, particularly with our closest Mexican neighbor. Adverse relations with socialist neighbor Venezuela and also with cocaine producing and socialist leaning Bolivia make regional democratic initiatives more challenging today.

³ UPI: Arnaud De Borchgrave, Nov. 5, 2007)

⁴ Gen. Barry McCaffery speech, West Point-NY, Oct 2007

⁵ Heritage Foundation WebMemo, No. 1705, Nov 16, 2007

The drug producer nations involved are unique in other ways. Like most illicit drug producing nations, they suffer from poverty, they among the very poorest of nations or among the most rurally poor. Afghanistan is an example of the former, Colombia the latter. They are both striving to attain democratic values, but are in danger that fast-moving democratic capitalism will pass them by in their effort toward global economic security.

Examples of Transformation Drug Policy: Using Colombia an example, we suggest an agricultural subsidy of \$1 billion annually as farmer compensation, and for a period of 10 years. We also propose \$3 billion for transformational services (including education and alternate crops / occupational development, infrastructures, roads, healthcare, etc., as ‘budget-support to Colombia. Total=\$4 billion annually for 10 years.

For Afghanistan, we suggest \$1 billion annually for farmer compensation, Add \$1.8 billion for transformational services (like education, etc.), and \$2.8 billion for loss of poppy-related GDP. This compensation allows for prior ‘drug rent-seekers’ to receive alternate occupational training, and preparation for better utilization of land resources under their control or ownership. They will not be compensated at prior ‘poppy rent’ rates. Therefore, the total annual investment in Afghanistan would be \$5.6 billion.

These are initial examples only. We leave it to the local area experts to define well thought out implementation plans. The key “carrot” is to encourage growers with economic incentives over an adequate period of time to transform their economy, while supporting the “stick” of total crop elimination. Total crop elimination can only be fully accomplished by the use of new biological control technologies, which are now available to the U.S.

Where will the money come from? How does Transformational Drug Diplomacy finance itself and also turn a remarkable international profit? Note that we have proposed \$4 billion yearly for Colombia and \$5.6 billion for Afghanistan, and for a period of 10 years – a total of \$9.6 billion annually and \$96 billion over a decade. We are also suggesting that the Andean nations of Bolivia and Peru be given this diplomatic opportunity. We estimate that to include Andean cocaine with Andean and Afghan heroin production would raise the subsidy cost to approximately \$11 billion annually, and for 10 years.

Therefore, we are balancing an agricultural subsidy investment of \$110 billion over a decade, against a ‘societal cost’ return to the U.S. of \$1.5 trillion. (Or to both the U.S. and EU of \$3 trillion) If the EU nations contribute to the investment portion of the diplomacy equally, their annual earned return will also be in the magnitude of \$1.5 trillion. And if EU either elects to ‘free-ride’ the U.S. investment, they will still benefit from societal savings. We believe it to be in the EU diplomatic interest to invest.

This is diplomacy with an investment return of approximately \$300 billion annually against an investment of \$11 billion annually! To repeat, the logic behind any ‘societal cost’ economics is that by eliminating a problem - be it cancer, diabetes, AIDS, or energy costs - a solution to that problem eliminates many other costs that were associated with that same problem. It means that the money previously spent is now available for other needs.

Exploiting U.S. technology: the biotechnology revolution has reached the drug plant. Today there exists safe, drug plant-specific microorganisms that can both eliminate current plants and inoculate the soils to prevent future drug plants from growing. The issue is not one of technology; existing means are adequate and can only be improved over time. Traffickers cannot compete effectively in technology against the world's top scientists. There are multiple biological control approaches that are redundant and capable of defeating attempted countermeasures. We have only to exercise the national will to defeat this low technology challenge. Total and permanent control is now at hand.

Existing means justify fair and unambiguous treatment of offenders, since those receiving compensation have no sustainable legal argument or protection if they receive money and attempt to cultivate drug plants as well. GPS mapping technologies will be fully utilized to establish land ownership. All involved nations should welcome a diplomatic solution, one that makes it just as profitable not to cultivate drug-producing plants as it was to cultivate them. In fact, it is more profitable, since increased stability and conflict reduction come with the package, so that efforts toward democracy are more easily achieved. It is also ethically justifiable, as farmers are not asked to put family income at risk during the period of adjustment, re-education and the redevelopment of sustainable agriculture and other alternative incomes.

Implications of Transformational Drug Policy: Here is what major change from fighting to friendship means for the investor nations:

- ...Worldwide reduction in heroin and cocaine sources of supply
- ...Worldwide reduction in the social or 'societal' cost of drug abuse
- ...Reduction in revenues to finance terrorism and insurgencies
- ...Reduction in terrorist ability to finance a nuclear or biological event
- ...Reduction of military personnel needed
- ...More effective use of military and civilian personnel involved in development
- ...Reduction in loss of lives, military and civilian
- ...Reduction in costs related to military presence
- ...Reduction in conflict levels
- ...Reduction in regional tensions (Colombia/Mexico--Afghanistan/Pakistan)
- ...Reduction in terrorist abilities to recruit among disenchanting youth
- ...Increase of recipient 'budget-support,' for better general economics.
- ...Increase of recipient nation education
- ...Increase of qualified expatriate returns to recipient nations
- ...Increase in health care and life-expectancy to recipients
- ...Increase in needed infrastructures for recipients
- ...Reductions in tensions between EU and U.S
- ...Improved relations with recipient nations
- ...Superior returns-on-investment to investor nations

Some of these points are developed further in Appendix 2. Together they provide reasons for hope and winning of hearts and minds--for all of us.

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Estimating Relative Costs Of Cocaine And Heroin

In this study, an overall estimate of 60% of the “Societal Costs” of illicit drugs has been used. Attributing costs to the drug crop-derived illicit drugs cocaine and heroin is a complex task; however, a number of data bases are available that provide statistical information on which to base an estimate. The following information was used to develop the approximate overall estimate.

1. Emergency Department Visits: On average, Cocaine is responsible for 54.2% and Heroin for 21.4%, for a total of 75.6% of illicit drug-related visits to emergency rooms associated with cocaine and heroin. Ref. Drug Abuse Warning Network, 2005: National Estimates of Drug-Related Emergency Department Visits (<http://www.oas.samhsa.gov/DAWN/2k5ed.cfm>)
2. Drug Deaths: According to the Drug Abuse Warning Network, cocaine alone or in combination with other drugs was reported in 39% of drug misuse deaths while opiates and opioids “...accounted for more drug misuse deaths than any other drug”. However, it is known that many deaths are caused by prescribed opiate analgesics (pain killers such as morphine) mixed with sedatives, so the number of heroin / opium deaths is not clear. However, other (2004 CDC) studies indicate that the opioid analgesic deaths are about 60% of this combination. Therefore, assuming that opiates and opioids account for at least 40% of drug misuse deaths the heroin / opium portion would be about 16% and the total cocaine and heroin / opium contribution would be 55%. Ref. Drug Abuse Warning Network, 2003: Area Profiles of Drug-Related Mortality (http://dawninfo.samhsa.gov/files/ME_report_2003_Front.pdf)
3. Incarceration Due To Drug Related Crimes: The percentage of incarceration costs attributed to heroin and cocaine is 50.5%. Ref. Sourcebook of Federal Sentencing Statistics for Fiscal Year 2006, U. S. Sentencing Commission (<http://www.ussc.gov/ANNRPT/2006/SBTOC06.htm>) .
4. Analysis of Overall Percentage of Societal Costs Associated with Heroin and Cocaine (only): For this analysis we use data from The Economic Costs of Drug Abuse in the United States, 1992-2002. (Office of National Drug Control Policy Washington, DC, 2004: Executive Office of the President. Publication No. 207303 http://www.whitehousedrugpolicy.gov/publications/pdf/economic_costs98.pdf
 - a. Total Costs: the chart shows the ONDCP estimates

Table IV-1
Estimated Societal Cost of Drug Abuse, 1992-2002
Overall Costs
(in billions of dollars)

Cost Category	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Health Care Costs	\$10.7	\$11.8	\$12.1	\$11.9	\$11.5	\$11.8	\$12.5	\$13.0	\$13.5	\$14.6	\$15.8
Productivity Losses	\$77.4	\$79.3	\$83.9	\$89.2	\$93.4	\$95.5	\$99.3	\$107.3	\$113.4	\$120.0	\$128.6
Other Costs	\$19.4	\$19.8	\$21.3	\$23.8	\$24.7	\$26.7	\$28.4	\$31.1	\$33.8	\$34.6	\$36.4
Total	\$107.5	\$110.9	\$117.3	\$124.9	\$129.6	\$133.9	\$140.1	\$151.4	\$160.7	\$169.2	\$180.8

Source: Analysis by The Lewin Group, 2004.

- b. Productivity Losses:
i. The chart shows the most recent estimates by ONDCP

Table IV-3
Estimated Societal Cost of Drug Abuse, 1992-2002
Productivity Losses
(in millions of dollars)

Cost Components	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Premature Death	\$22,586	\$22,391	\$23,094	\$24,064	\$20,709	\$17,755	\$17,507	\$20,869	\$22,059	\$23,317	\$24,646
Drug Abuse Related Illness	\$14,205	\$13,766	\$15,845	\$17,737	\$20,270	\$19,916	\$23,143	\$24,999	\$27,427	\$30,203	\$33,452
Institutionalization/ Hospitalization	\$1,477	\$1,502	\$1,683	\$1,872	\$1,533	\$1,662	\$1,786	\$1,735	\$1,706	\$1,841	\$1,996
Productivity Loss of Victims of Crime	\$2,059	\$2,488	\$2,554	\$2,377	\$2,332	\$2,293	\$2,065	\$1,955	\$1,847	\$1,806	\$1,800
Incarceration	\$17,907	\$19,366	\$21,095	\$22,983	\$24,833	\$27,221	\$30,133	\$32,782	\$34,693	\$36,295	\$39,095
Crime Careers	\$19,198	\$19,755	\$19,603	\$20,172	\$23,758	\$26,608	\$24,627	\$24,960	\$25,688	\$26,538	\$27,576
Total	\$77,432	\$79,268	\$83,874	\$89,205	\$93,455	\$95,455	\$99,261	\$107,300	\$113,420	\$120,000	\$128,566

Source: Analysis by The Lewin Group, 2004.

- ii. For the purposes of the present estimate we use the three data sets reviewed above and assume the following proportionalities (with some obvious caveats as there are only three data bases being used to estimate the percentage associated with cocaine and heroin). In other words we assume that the percentage effect attributable to heroin and cocaine are proportional to their percentage of each of the following categories:
1. Premature Death ~ Drug Deaths
 2. Drug Abuse Related Illness ~ Emergency Department Visits
 3. Institutionalization/ Hospitalization ~ Emergency Department Visits
 4. Productivity Loss of Victims of Crime ~ Incarceration Due To Drug Related Crimes
 5. Incarceration ~ Incarceration Due To Drug Related Crimes
 6. Crime Careers ~ Incarceration Due To Drug Related Crimes
- iii. Using the 2002 data the total for Productivity Losses Attributed to Cocaine and Heroin (2002) = \$75.2 billion

- c. Health Care Costs:

- i. The chart shows the most recent estimates by ONDCP

Table IV-2
Estimated Societal Cost of Drug Abuse, 1992-2002
Health Care Costs
(in millions of dollars)

Cost Components	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Community-Based Specialty Treatment	\$3,770	\$4,188	\$4,423	\$4,569	\$4,930	\$5,091	\$5,369	\$5,257	\$5,159	\$5,563	\$5,997
Federally-Provided Specialty Treatment											
Department of Defense	\$14	\$9	\$5	\$5	\$5	\$5	\$5	\$7	\$7	\$7	\$8
Indian Health Services	\$26	\$33	\$31	\$31	\$33	\$31	\$32	\$41	\$42	\$52	\$54
Bureau of Prisons	\$17	\$17	\$17	\$18	\$19	\$20	\$21	\$32	\$34	\$38	\$39
Department of Veterans Affairs	\$113	\$127	\$153	\$169	\$152	\$135	\$119	\$108	\$109	\$119	\$116
Support											
Federal Prevention	\$616	\$623	\$639	\$624	\$560	\$637	\$725	\$934	\$1,024	\$1,075	\$1,203
State and Local Prevention	\$89	\$93	\$91	\$101	\$81	\$85	\$118	\$141	\$143	\$145	\$148
Training	\$49	\$51	\$53	\$55	\$57	\$59	\$60	\$62	\$65	\$67	\$69
Prevention Research	\$158	\$164	\$175	\$180	\$212	\$231	\$250	\$286	\$317	\$353	\$402
Treatment Research	\$195	\$242	\$254	\$261	\$283	\$313	\$328	\$382	\$417	\$497	\$564
Insurance Administration	\$268	\$302	\$329	\$335	\$344	\$333	\$333	\$349	\$365	\$413	\$476
Medical Consequences											
Hospital and Ambulatory Care Costs	\$518	\$657	\$796	\$848	\$879	\$1,000	\$1,103	\$1,172	\$1,239	\$1,341	\$1,454
Special Disease Costs											
Drug-Exposed Infants	\$407	\$424	\$439	\$453	\$468	\$480	\$503	\$523	\$558	\$579	\$605
Tuberculosis	\$30	\$29	\$29	\$28	\$27	\$25	\$22	\$20	\$20	\$20	\$19
HIV/AIDS	\$3,489	\$3,894	\$3,694	\$3,221	\$2,592	\$2,484	\$2,603	\$2,853	\$3,138	\$3,461	\$3,755
Hepatitis B and C	\$462	\$399	\$419	\$437	\$394	\$439	\$434	\$371	\$376	\$340	\$312
Crime Victim Health Care Costs	\$92	\$142	\$148	\$139	\$136	\$132	\$127	\$118	\$111	\$109	\$110
Health Insurance Administration	\$340	\$383	\$392	\$360	\$301	\$287	\$308	\$347	\$397	\$448	\$513
Total	\$10,652	\$11,776	\$12,087	\$11,854	\$11,474	\$11,806	\$12,461	\$13,004	\$13,522	\$14,628	\$15,843

Source: Analysis by The Lewin Group, 2004.

- ii. For the purposes of the present estimate we assume that the percentage of health care costs attributed to heroin and cocaine are proportional to their percentage of the total number of Emergency Department Visits associated with drug abuse. This assumption results in the following estimate: Health Care Costs (2002) = 15.8 x .756 = \$11.9 billion

- d. Cost of Other Effects:

- i. The chart shows the most recent estimates by ONDCP

Table IV-4
Estimated Societal Cost of Drug Abuse, 1992-2002
Cost of Other Effects
(in millions of dollars)

Cost Component	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Cost of Goods and Services Lost to Crime											
Criminal Justice System and Other Public Costs											
Police Protection	\$4,503	\$4,991	\$5,505	\$6,093	\$6,612	\$7,216	\$7,713	\$8,130	\$8,780	\$9,504	\$9,783
Legal Adjudication	\$1,074	\$1,149	\$1,273	\$1,423	\$1,516	\$1,634	\$1,802	\$1,926	\$2,085	\$2,263	\$2,336
State and Federal Corrections	\$7,495	\$7,616	\$8,416	\$9,806	\$10,046	\$10,467	\$10,959	\$11,888	\$12,573	\$13,235	\$14,236
Local Corrections	\$1,333	\$1,390	\$1,587	\$1,746	\$1,679	\$1,730	\$2,108	\$2,269	\$2,439	\$2,628	\$2,694
Federal Spending to Reduce Supply	\$4,126	\$3,691	\$3,521	\$3,697	\$3,827	\$4,620	\$4,827	\$5,938	\$6,912	\$5,900	\$6,228
Private Costs											
Private Legal Defense	\$365	\$388	\$429	\$447	\$445	\$322	\$348	\$514	\$571	\$633	\$647
Property Damage for Victims of Crime	\$193	\$229	\$231	\$217	\$214	\$208	\$186	\$191	\$196	\$203	\$206
Social Welfare	\$337	\$355	\$367	\$368	\$364	\$283	\$249	\$234	\$225	\$241	\$281
Total	\$19,426	\$19,809	\$21,330	\$23,797	\$24,703	\$26,680	\$28,391	\$31,090	\$33,784	\$34,608	\$36,413

Source: Analysis by The Lewin Group, 2004.

- ii. For the purposes of the present estimate we assume that the percentage of Costs of Other Effects attributed to heroin and cocaine are proportional to their percentage of Incarceration Due To Drug Related Crimes, except for

federal expenditures to reduce the supply of drugs, which are almost entirely for heroin and cocaine (assume 95%). This assumption results in Costs of Other Effects (2002) = \$21.3 billion

- e. Summary of Analysis: The total estimated percentage of heroin and cocaine related Societal Costs is determined by the ratio of the heroin and cocaine costs to the total cost to be 60%. This percentage is used by the Transformation Drug Policy.

Appendix 2

Notes and Quotes

“It is an unholy alliance,” says Mr. Rasoolzai, head of Eastern Afghanistan’s anti-narcotics department, “Al Qaeda is using drugs as a weapon against America and other Western countries. The weapon of drugs does not make a noise. The victim does not bleed and leaves no trace of the killer. If we are to eradicate poppy cultivation, we have to provide (farmers) viable alternatives of employment. Otherwise, the farmers will be like toys at the hands of warlords and drug smugglers and poppy will flourish.” (Christian Science Monitor)

“The drug (money) is directly funding terrorism. The drug is directly funding the Taliban, and I wouldn’t differentiate between the al Qaeda and the Taliban,” said Mirwais Yasini, the former Afghan counter-narcotics minister. (CNN.com: Afghan poppy industry eludes U.S. control)

NATO must do more to fight the “gigantic” opium trade in Afghanistan funding the Taliban insurgency, because Afghan security forces are too corrupt and weak to tackle it, the United Nations said. (Ed Johnson, quoting UN’s Antonio Maria Costa, Bloomberg.com, September 6, 2007)

See U.S. Department of State. Special Briefing, August 9, 2007. On-the-Record Briefing on the Release of a Comprehensive New U.S. Government Implementation Plan to Control Narcotics in Afghanistan (The Washington Times, National Weekly Edition, Oct 29, 2007, Page 19). Gen. Dan McNeill, head of the NATO-led International Security Assistance Force, estimated that Afghanistan’s rampant opium poppy cultivation was funding up to 40 percent of the Taliban-led insurgency and, he said, the figure likely was low and could reach 60 percent.

See U.S. Dept. of State, U.S. Counternarcotics Strategy for Afghanistan. Bureau of International Narcotics and Law Enforcement Affairs, August 2007 Afghanistan in Dire Straits. Thalif Deen, IPS. September 28, 2007 Against the backdrop of an escalating military conflict, Afghanistan is facing a rash of new problems, including increased poverty, widespread corruption, a breakdown in rule of law and a paralyzed judiciary.

On the global Human Development Index (HDI) Afghanistan is ranked 174 out of 178 countries, while the Human Poverty Index describes the country as ‘one of the worst in the world,’ far below Mali. Considered one of the poorest of the world’s poor. The 176 page Human Development Report 2007, Author, Centre for Policy and Human Development, Kabul Univ.

Washington, D.C., August 16, 2007—Eleven million high school students, (80%) and five million middle school students (44%) attend drug-infested schools, meaning they have personally witnessed illegal drug use, illegal drug dealing, illegal drug possession, students drunk or students high on the grounds of their school. (National Survey of American Attitudes on Substance Abuse XII: Teens and Parents. CASA, Columbia U.)

The former International Monetary Fund (IMF) managing director, Michel Camdessus, estimated that money laundered worldwide, 1999, totaled between 2% and 5% of combined gross domestic product (GDP) or approximately \$1.8 trillion. By April, 2006, the IMF's World Economic Outlook of the world economy was \$65.174 trillion. ...it is now estimated that at least \$5 trillions are being laundered annually 70% are thought to be generated by the illegal drug trade. Frontpagemag.com/ Terror Criminal Links Growing. September 13, 2007.

There is more than one way to eradicate a drug producing plant. Hand eradication is time-consuming, labor intensive, expensive and dangerous. Eradicators are identifiable, attacked on the spot or marked for future revenge, including murder. Must be repeated with each crop. Farmer income is also destroyed.

Chemical Eradication: is time consuming, less labor intensive, but also must be repeated with each crop, and still expensive. Ground spraying is dangerous and also subject to revenge. It also destroys farmer income, as does chemical spraying from aircraft. Spraying in general cannot fundamentally address the "balloon problem" wherein growers move to ever expanding areas of cultivation.

Biological Eradication: Using bacteria, fungi or both, it has the potential for relatively permanent control, a huge cost advantage. It is inexpensive comparatively, capable of aerial dispersal for soil inoculation either cultivation areas and potential future areas. The impact of biological control on drug policy cannot be overstated – it is a new technological capability to eliminate drug producing crops.

A scientific study of mycoherbicide technology is mandated by PL 109-469, Section 1111. NRC will conduct this study, funded by the U.S. Dept. of State. This document presupposes a favorable outcome of the study and extrapolates the impact on Transformational Drug Policy.

Diplomatic Eradication: By farmer subsidy, cessation of cultivation is voluntary. It is highly cost-productive, as it returns profit on investment. The solution is just so that enforcement is also just.

If the U.S., EU, or both, seek compromise and international standard-setting, and a choice between voluntary and involuntary means of ending drug plant cultivation; transformational drug policy fits the definition of diplomatic compromise - a very profitable compromise at that!