

S. HRG. 106-299

**CRISIS IN COLOMBIA: U.S. SUPPORT FOR PEACE  
PROCESS AND ANTI-DRUG EFFORTS**

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**HEARING**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

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OCTOBER 6, 1999  
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## **CRISIS IN COLOMBIA: U.S. SUPPORT FOR PEACE PROCESS AND ANTI-DRUG EFFORTS**

WEDNESDAY, OCTOBER 6, 1999

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:03 a.m., in room SD-419, Dirksen Senate Office Building, the Hon. Jesse Helms (chairman of the committee) presiding.

Present: Senators Helms, Coverdell, Dodd, Feingold, and Wellstone.

Also present: Senator DeWine.

The CHAIRMAN. The meeting will come to order.

Today's hearing of the Foreign Relations Committee will focus on Colombia. Weakened by an economic recession, Colombia is virtually alone in fighting guerrilla terrorists allied with the global drug cartels. And, because Colombia is the source of more than 80 percent of the cocaine and much of the heroin flooding America's streets and school yards, what happens there is certainly a primary interest, or should be, to every one of the rest of us.

Without U.S. help, Colombia could lose this war, or the sad alternative of seeking to appease the narcoguerrillas. Either scenario would spell disaster for Colombia, their neighbors, and most important, to us, the American people.

Since taking office, President Pastrana has pursued peace. The guerrillas have responded with a relentless campaign of violence. These guerrillas thrive on lawlessness, collecting more than \$1 billion a year from drug trafficking, kidnappings, extortion, and ransoms.

The guerrillas obviously stand to profit from prolonged war and chaos, and they will never surrender at the peace table what they cannot lose on the battlefield. Until the Colombian Government has the resources, training, and intelligence capability to raise the cost of war for the guerrillas, peace will remain out of reach.

What is the U.S. Government doing to help? Too little, and maybe too late. We must pray that the latter is not the case. In any event, almost all of the support the United States sends to Colombia goes to the anti-drug efforts of the Colombian National Police, and only recently has the United States finally begun to provide some meager support to a new army counterdrug battalion.

Now, while it is true that Colombia is now a large U.S. foreign aid recipient, the vast majority of this anti-drug assistance approved by Congress last year, over the administration's objections,

I might add, has yet to reach Colombia. The U.S. Government can and must do better.

First, just as the United States delegitimized the corrupt Samper regime, the United States must now mobilize international support behind Colombia's new government, its democratic institutions, and most of all, the rule of law.

Second, we must boost the Colombia security forces, beginning with its counterdrug battalions, to fight the well-armed narcoterrorists. I note that the United States law justifiably requires that any military units receiving U.S. aid must be—and I use the word carefully, because this is official—must be scrubbed for human rights violations. If the United States fails to act, Colombia will continue to hurdle toward chaos, and that would jeopardize not only the human rights of all Colombians, but those of the American victims of Colombia's poison peddling drug lords.

The ranking member is not yet here, so we will proceed with a Senator whom I greatly admire since the first day I saw him in the U.S. Senate.

Senate Paul Coverdell chairs the Western Hemisphere Subcommittee of the Foreign Relations Committee, and he does a remarkable job with it. We will later be joined by Senator Mike DeWine, of Ohio, who is working with Senator Coverdell to draft a Colombia anti-drug bill.

Our second panel will consist of the drug czar, as he is called, a fine gentleman, General Barry McCaffrey, and then Ambassador Thomas Pickering, Under Secretary of State for Political Affairs. Senator Coverdell, we welcome you. Please proceed.

**STATEMENT OF HON. PAUL COVERDELL, U.S. SENATOR FROM GEORGIA, CHAIRMAN, SUBCOMMITTEE ON WESTERN HEMISPHERE, PEACE CORPS, NARCOTICS, AND TERRORISM, FOREIGN RELATIONS COMMITTEE**

Senator COVERDELL. Thank you, Mr. Chairman, and thank you for those kind remarks. It is a pleasure to appear before you and the full committee today to discuss Colombia policy at such a pivotal time in that country's proud history. The fact that you are chairing this hearing is a testament to the importance that you place on this issue and the need to make it a priority.

As you know, I am offering my thoughts on this issue from my perspective as chairman of the Western Hemisphere Subcommittee, and over the past several months, my subcommittee has examined the Colombia situation closely. We have held hearings, we have met with Colombian leaders, and have visited the country itself. My conclusions are simple. Colombia needs are immediate and substantial assistance.

Before outlining the specifics of this assistance, I think it is important to frame the situation. Colombia is a sovereign and democratic government in violent conflict with a powerful guerrilla force. I might add, it has a rich history in democracy. I have been saddened to watch the casualties and the decay that this conflict has brought to these great people.

These rebel forces could number up to 25,000. Their violence is fueled less by ideology than by the lust for staggering amounts of

drug and kidnapping proceeds. Clearly, this is less of a civil war than a reign of domestic terrorism.

The Colombian people, Mr. Chairman, overwhelmingly support their current government. Data suggests only 4 percent of the population supports insurgent groups. This clearly distinguishes the present conflict from others we have seen in the region over the past decades.

We should keep central in our minds this fact as we pursue our strategy for Colombia. I repeat, that the insurgents do not share a broad and ideological population. The population seeks democratic principles.

It seems that some want to downplay the Colombia situation, maintaining that this crisis is overstated, and that U.S. assistance is not warranted. I disagree unequivocally with this thinking. The internal conflict in Colombia has produced numbers of displaced persons similar to those we saw in Kosovo. Over 800,000 of this population are displaced since 1995, and the conflict has killed over 35,000 people.

Colombia is home to one-third of all acts of terrorism worldwide, and had over 2,600 people kidnaped last year alone. Sadly, there is a fear in the air that permeates the country, and just the day before yesterday, another 40 or so people were kidnaped at a roadblock. We hope that their fate will be OK.

While in Colombia recently, I had the opportunity to meet with a group of business executives from large U.S. corporations with Colombian subsidiaries. Each one relayed their pessimism on Colombia security and future investment in the country.

They were all worried about the future of the government and the country, and one executive shared with me that he had sent his wife and daughter to live in the United States, no longer feeling that it is safe for them to be there. It was just too dangerous for his family to stay.

As I said to these business people, investment does not flow toward insecurity, it runs from it, which, of course, doubles the impact of the economic crisis that the country faces now.

To make the Colombia situation even more pressing, the conflict has demonstrated the potential to spill into neighboring countries. Reports indicate that FARC guerrillas move freely across the border into Panama, a country that has no standing army to defend itself. I think current reports would have about 1,000 of these insurgents operating at liberty in Panama.

Peru, Venezuela, and Ecuador have all moved troops to their borders with Colombia, as a result of increased guerrilla and paramilitary activity. We cannot sit idly by while this conflict threatens to destabilize the entire Andean region.

In my opinion, Mr. Chairman, this crisis is not overstated. The situation in Colombia is, indeed, dismal, and is reaching emergency proportions. I firmly believe that U.S. assistance is needed, and needed now, to address the situation.

The proposal that Senator DeWine and I discussed during President Pastrana's visit to Washington is a comprehensive effort to address these needs. Although I have not seen the full details of Plan Colombia that the Pastrana administration has developed, I understand that our proposal compares favorably with it.

Our plan, which we have entitled the Alianza Act of 1999, is a \$1.5 billion package intended to address the situation on many fronts. It covers military and law enforcement assistance, human rights monitoring, judicial reform, drug interdiction, and alternative crop development.

The measure was formulated after my visit to Colombia in August, where I saw firsthand the needs of the army, navy, and Colombian National Police. This proposal represents the best assessments of Colombia's needs by our personnel in the region.

The State Department, Department of Defense, and the Drug Enforcement Agency all coordinated on these numbers in consultation with the Colombian Government.

While we will have to compare the details, it appears that our proposal would be close to the plan that General McCaffrey has advocated for Colombia. He can speak to that himself on the next panel. So there is obviously some common ground upon which we can work with the administration.

To touch on the highlights of our proposal, we provide \$540 million for Colombian military. This funding would support urgent new programs with the national police, army, navy, and air force to combat narco traffickers in southern Colombia, where we have seen an explosion of new coca and poppy production.

Two hundred million dollars would go toward the reinvigoration of the air interdiction program, with new resources in airborne and ground-based radar capacity, air refueling aircraft and remote air field construction.

We would upgrade law enforcement activities directly by providing \$205 million to the Colombian National Police and the Colombian Navy for effective helicopters and air assets for the new riverine program. To reform the military justice system, bolster the rule of law, and monitor human rights on all fronts, we have provided \$70 million.

These are critical proposals which attempt to address some of the systemic and institutional problems of the Colombian situation.

I might add that staff has been working with several human rights groups interested in Colombia to develop this proposal. We have more specific language on human rights that I would be happy to share with the committee later today.

Finally, this would direct assistance to two critical areas, regional interdiction efforts and alternative economic development projects. And \$365 million would go toward the enhancement of regional drug interdiction programs in neighboring countries such as Peru, Bolivia, and Ecuador, and Panama.

To provide small rural farmers with alternative needs of income, \$120 million would be applied to alternative development programs in Colombia and surrounding countries. These are all important areas of focus for an assistance package, and I do hope to secure bipartisan support for the proposal.

Mr. Chairman, if I could summarize my testimony into these three core points, they would be as follows: (1) The Government of Colombia supported by its people who want an end to the terror that has driven so many from this country; (2) The price of our continued inaction in the United States and the Western Hemisphere will far outweigh the costs of addressing the situation and helping

the Pastrana administration and the Colombian people now; (3) The administration should act immediately by submitting a plan of action for Colombia to Congress and requesting that it be funded for year one on an emergency basis.

Mr. Chairman, to digress just a moment, having seen this firsthand, I have been impressed that the new military commanders do understand that they are in a war for the survival of their country.

This hemisphere is filled with democracy. Many of them are new, and many of them are very fragile. For that matter, democracy is always a fragile thing. It requires a permanent and diligent vigil. It can slip away in a heartbeat.

If this hemisphere were to accept a government driven by narcotics, you can mark my word, it will destabilize the entire region, and will become a massive national security threat to the United States and to this hemisphere of democracies.

Mr. Chairman, I have gone on a bit longer than we normally allow. I appreciate the chairman's indulgence, and I thank you for the opportunity to be with you.

The CHAIRMAN. Senator, it was not too long at all, and it was excellent testimony.

You know how you listen to this fact and that fact, and you review this consequence and that consequence, and things that we handle in the Senate, and I was one of the new boys on the block at the time the U.S. Senate voted to give away the Panama Canal. The American people did not want it to be done. They protested, but it did no good.

I remember there were three of us who participated in the battle to save the Panama Canal, Jim Allen, of Alabama, our great Senator, Harry Byrd, Jr., of Virginia, and this lone Republican from North Carolina, and I am just reviewing in my mind what would be the case today if we were turning over the Panama Canal at the end of this year to the Panamanians.

I went down to the White House one day and I talked to the President, and he patted me on the back, sort of, and said, "Well, Jesse, we are buying a lot of friends in Latin America." I did not believe it then; I do not believe it now.

But in any case, I want you to emphasize what you have already stated, the consequences for the neighboring countries, first of all, Panama, Ecuador, and Venezuela, if the crisis for Colombia continues. I want to nail that down as the obvious factor.

Senator COVERDELL. Well, there can be no dispute, I do not believe. Now, there are other panelists that may speak to it, and they may have a different view, but the fact that there are 1,000 insurgents in Panama that are generally acknowledged in the public and by the Panamanians, I think the figure I heard the Panamanians use was that it would cost them about \$40 million annually to try to manage this situation, if it were manageable, because they have, as you know, no standing military.

The CHAIRMAN. Right.

Senator COVERDELL. Given the nature of the importance of the Canal to Panama and to the United States, this is a disconcerting situation. It clearly has become a disruptive factor in the relations of Colombia, in particular to Venezuela, who is also experiencing a transition—



The CHAIRMAN. You bet.

Senator COVERDELL [continuing]. And in the midst of this has to be conscious of the fact that there are large military forces near that border and who cross that border. So they have had to move their military assets in order to protect the integrity of Venezuela, the same situation with Ecuador and Peru.

Now, that does not—and that is the immediate circle of events, but when you think about the trafficking network of moving these goods, then you move into a second ring of countries. Then you are affecting Mexico. Then you are affecting Guatemala.

Then you are affecting Honduras and Nicaragua, and all these new democracies, because these countries become transit points and locations, and these forces, these narcotic forces become a general destabilizing factor in the entire hemisphere.

Now, time is getting on, but when I was with President Sodeo—I think General McCaffrey would echo this; I am sure he has heard it—that President Sodeo said that the narcotic dilemma was the single greatest threat to the national security of their republic, and in my mind, there is no hemispheric threat that is greater to us than the narcotic threat to our national security, and the heart of it is here in Colombia. I hope that responds sufficiently and effectively to the chairman's question.

The CHAIRMAN. Well, it certainly does. You are saying, I am not going to put words in your mouth, but you are saying that Colombia cannot defeat the narcoguerrillas without substantial help from the United States.

Senator COVERDELL. That is my view. That is my opinion.

The CHAIRMAN. I agree.

Senator COVERDELL. I think, at best, they are in a situation where neither side can accomplish victory, at least in the short term. I will be interested to listen to General McCaffrey.

I have been impressed, or was impressed, by what I would consider a reformulated resolve among Colombian's military commanders, kind of a hunkering down, and an understanding that they are in a war over the survival of their country, and I sense that we need resolve.

I know there are questions about, and I would agree, if there is no Colombian will to manage this problem, no one can help them. I do not fall in the camp of those who think there is not a Colombian will. I believe there is, and I believe that without modernization, and re-training, and the building of an effective military force, the odds are that we will continue to face the affects of destabilization, not only in Colombia, but expanding throughout the region.

The CHAIRMAN. Tell me about the bill you are drafting. How do you ensure that the U.S. funds to Colombia will go only to soldiers who respect human rights?

Senator COVERDELL. There is a section in the bill that deals particularly with that. It is a \$70 million investment to make sure that we are conscious of and all of our efforts are mindful of human right provisions.

I have to say that, I think that at the senior levels in Colombia itself, among the military now and the administration of Pastrana, there is a general recognition of the need for this in order to main-

tain the effective allegiance of the people (a) themselves, and (b) of international cooperation.

Now, I think it is important to note here that the Colombians have put forward a \$7.5 billion plan over 3 years, and have already appropriated \$4 billion of that in their own budgets, and they are hoping that the other \$3.5 billion is—that international support is the source of that, and they do not expect the United States to be the total source of it.

There is some \$3.25 billion that is already being secured by resources outside of the United States. I think that, at least preliminarily, the general outline of this plan is in reasonable concert with what they are looking to us to do.

Back to human rights, currently, there is a special unit being trained by, in part, U.S. personnel. It is a crack anti-narcotic unit that could be moved throughout the country. One will not be enough, and if our bill were successful, there would be three of these units, but human rights training is a core component of what is being done right now already.

Wars are never—I mean they are ugly things, and my guess is we will have conjecture and concern about this issue throughout the struggle as long as it goes on, but I think that our interest, our legislation, and the interest of the Colombian leadership is such that they will be appropriately attentive to this issue, and I think they will be successfully attentive to it.

I do not think they will eliminate assertions and allegations that will probably occur, as I said, as long as we are in conflict there.

The CHAIRMAN. Do you share my opinion that the people of Colombia will welcome whatever help we can give them in this regard?

Senator COVERDELL. Oh, I do not think there is any doubt about that—

The CHAIRMAN. Nor do I.

Senator COVERDELL [continuing]. Whatsoever. I have been with the President on two occasions now, well, three, here, there, and here again, along with foreign ministers, interior ministers, chief of staff, and consistently find the beachhead of a good relationship and a great interest in this alliance.

The CHAIRMAN. Well, like the game show on television, the guy says, “Come on down.” That is what they are saying to us. Senator Dodd.

Senator DODD. Mr. Chairman, I will defer for a minute and give my colleagues an opportunity before I—

The CHAIRMAN. In that case, that would be Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman, for calling this hearing today on this important issue. The people in my home State of Wisconsin have a special place in their hearts for Colombia.

Our State capital, Madison, has a sister city relationship with the people of Apartado and its home port, the Colombia support network, which is a very strong advocate for human rights in that country.

Unfortunately, our relationship in Wisconsin with Colombia has also been marked by tragedy as well as success. At least two

former Wisconsin residents have been the victims of the guerrilla campaign in that country.

The fate of one of them, Mark Rich, a member of the New Tribes Mission remains unknown. The other, Ingrid Washinawatok, a human rights worker who went to Colombia to help the indigenous U'Wa tribe, was murdered, along with two of her colleagues earlier this year.

Both of these terrible crimes have been linked to the revolutionary armed forces of Colombia, a leftist guerrilla group, whose tactics include taking civilians, committing massacres, attacking ambulances, and kidnapping.

Mr. Chairman, I am pleased that we had this opportunity to address this situation today, and I appreciate hearing from Senator Coverdell. The title of this hearing mentions the peace process and the anti-drug efforts. Both of these are important and complex; however, in our zeal to facilitate the peace process and end the drug trade, I fear that we overlook the human rights abuses that are committed daily in Colombia, usually with impunity.

Those abuses are intertwined in efforts to promote peace and fight drugs, and ultimately, there can be no peace in Colombia until those responsible for these heinous crimes, from para-military and guerrilla group members, to the military, and government officials, who have looked the other way, or even assisted them, are made to answer for their crimes in a legitimate court of law.

So I will leave it at that, Mr. Chairman. I look forward to hearing from our witnesses, and I do share Senator Coverdell's view that, although we may differ on some of the emphasis, that this is one of the most important areas in the world that needs our attention. Thank you.

The CHAIRMAN. Thank you, Senator.  
Senator DeWine.

#### **STATEMENT OF HON. MIKE DE WINE, U.S. SENATOR FROM OHIO**

Senator DEWINE. Mr. Chairman, I just want to thank you for holding this hearing. If we look at the American foreign policy and look at the issues that we face today, I do not know that there is anything more important, frankly, than what is occurring in this hemisphere, and the most important and troubling thing that is occurring in this hemisphere occurs in Colombia.

We have a country that is at war. We have a country that is trying to deal with insurgents of several different sides. We have a country where we are now seeing, really a new phenomena in world history, and that is, a tremendous amount of money that we can just hardly comprehend that is now being generated by the drug dealers, and the drug dealers are then, in turn, feeding this money to some of the terrorists and some of the guerrilla organizations.

So it is a new phenomena, something that we have really not seen before. We have made tremendous progress in this hemisphere over the last 20 years, Mr. Chairman. This hemisphere is a good news story.

We are moving in virtually every country in this hemisphere more toward democracy than we have ever seen before, the only ex-

ception, of course, being Cuba. The troubling thing however, is what is happening with drugs, the problem that it is creating for the United States, and also the threat that we see to a long-standing democracy, a country that is a very important country, from a geographical point of view and from an economic point of view, and that is the country of Colombia.

Mr. Chairman, I have a prepared statement, which I would just ask to be made as a part of the record, but I again just want to congratulate you for your attention to this issue. As we listen to the additional witnesses, I am going to have questions about where the administration is going. This is a shared responsibility between the United States, Congress, and the administration.

I think, frankly, we all have to become a lot more engaged in what is going on in Colombia, not from the point of view that we are going to tell the Colombians what to do, but from the point of view that we have to work with their country, to help them do what is in their national interests, and also happens to be in our national interest.

I also agree that we have to constantly be vigilant to export one of the things we do best, and that is the rule of law, and when we talk about human rights violations, when we talk about the police being able to investigate, when we talk about prosecutors being able to prosecute, no one does it better than we do in this country, and it is something that we can export, and we are exporting, and we can do it fairly cheaply, but we have to do that.

So I think we have to work with the Colombians to be of whatever assistance that they want, to try to deal with human rights violations, to try to deal with the rule of law, to try to, again, bring about the time of resolve that we all know is so essential if Colombia is, in fact, going to survive as a democracy.

So, again, I thank you, Mr. Chairman, very much, and I thank you for allowing me, as not a member of the committee, to be here today.

[The prepared statement of Senator DeWine follows:]

PREPARED STATEMENT OF SENATOR MIKE DEWINE

I thank the Chairman of the Senate Foreign Relations Committee and the Chairman of the Subcommittee for Western Hemisphere for having this important and timely hearing.

Colombia is a country in crisis. Instability in the country threatens to destabilize the entire region. What we really have here, Mr. Chairman, is one government struggling to fight a number of different wars—wars against two competing guerrilla groups, against ruthless paramilitary organizations, and against drug lords who traffic deadly cocaine and heroin into the United States.

Just a couple of weeks ago, I met with Colombian President Pastrana during his visit to Washington. We discussed how our two countries can work together better to eliminate drugs from our hemisphere and to begin to resolve the deteriorating situation in Colombia.

For more than three decades, the Revolutionary Armed Forces of Colombia, otherwise known as the FARC, and the National Liberation Army (ELN) have waged the longest-running guerrilla insurgency in Latin America. Both rebel groups have a combined strength of between 15,000 and 20,000 full-time guerrillas. At the present time, the Colombian military may not be up to the task to counter these foes. It lacks a serious communication, intelligence, and mobility capability.

More than a decade ago, Soviet and Cuban communists fueled anti-democratic terror in Central America. Today, the sources of violence and instability in our hemisphere are the drug traffickers, who enlist the rebels to protect their lucrative industry. In fact, drug traffickers also finance an umbrella organization of about 5,000 armed paramilitary combatants, whose self-appointed mission is to counter the

strength of the leftist guerrillas. Sadly, America's drug habit is subsidizing opposing sides of an anti-democratic narco-terrorist campaign in Colombia. So, one way our nation can best assist the people of Colombia is to attack drug trafficking head-on—here and abroad.

With the help of my colleagues, Senators Paul Coverdell, Bob Graham and Charles Grassley, last year we passed the Western Hemisphere Drug Elimination Act. This was a much-needed step toward attacking the drug problem at its core. This Act is a \$2.7 billion, three year investment to rebuild our drug fighting capability outside our borders. This law is about reclaiming the federal government's exclusive responsibility to prevent drugs from ever reaching our borders. This law is about building a hemisphere free from the violent and decaying influence of drug traffickers.

This bill was necessary because the Clinton Administration, since coming into office, has slashed funding levels for international counter-narcotics efforts. By turning its back for the better part of this decade on fighting drugs abroad, this Administration may have inadvertently contributed to the growing strength of drug trafficking organizations, as well as the narco-terrorists in the region.

If one principle has consistently guided American foreign policy since the dawn of our nation, it is this: The peace and stability of our own hemisphere must come first. That certainly has been the case throughout the last century. The Spanish-American War, the Cuban Missile Crisis, the democratization of Central America in the 1980s, and the North American Free Trade Agreement in the 1990s—all of these key events were approached with the same premise: A strong, free and prosperous hemisphere means a strong, free and prosperous United States.

Consistent with that principle, the United States must take an active role in seeking a peaceful, democratic Colombia. This past summer, our Senate and House leadership sent a letter to the President, requesting that he present Congress with a plan for Colombia. I am hopeful that we will hear details of their plan today.

In the meantime, Mr. Chairman, Senator Coverdell, who just came back from Colombia, and I presently are drafting a comprehensive assistance plan for Colombia. The assistance would be directed toward the following areas:

- Crop alternative development;
- Drug interdiction programs;
- Human rights and rule of law programs; and
- Military and police counter-narcotics operations.

Our plan also contains provisions for counter-narcotics assistance and crop alternative development programs for other Latin American countries, including Bolivia, Peru, Panama, Venezuela, and Ecuador.

Ours is a balanced approach—an approach that focuses attention not just to the military and to the economy, but to human rights and rule of law, as well. It should be in our interest to make sure that the Colombian government is accountable in these areas.

A hemispheric commitment to the rule of law is essential. When I visited with Americans living in Colombia during a trip to the region last year, judicial reform was a central focus of our discussion on ways our nation can better assist Colombia. We should take a leadership role in promoting a strong judiciary and rule of law in Colombia by providing our own technical expertise. We should lead by example.

We also need to urge the Colombian government to take a tough stance against the often over-looked paramilitaries. They are a growing part of the problem in Colombia and cannot be ignored. Finally, we need to make sure that military assistance to the Colombian military is monitored, so it is used effectively for counter-narcotics operations.

This is not an "America Knows Best" plan. We consulted with those who are on the front lines in Colombia—those who know best what Colombia needs right now. We have talked with the Colombian government, including President Pastrana, to inquire about Colombia's specific needs. We also have consulted with U.S. government officials, who have confirmed our belief that a plan for Colombia must be balanced if we hope to address the complex and dangerous elements of the current situation.

Frankly, Mr. Chairman, it is my hope that the Administration will pro-actively work with Congress, and most important, work with Colombia to turn the tide against those seeking to undermine democracy in the region through violence and terror. Too much is at risk to wait any longer.

I look forward to the testimonies presented by our Administration panel. Thank you again, Mr. Chairman, for holding this hearing.

The CHAIRMAN. Well, I thank you for coming, and I thank you for the good work you have done. Now, do you want to defer to him?

Senator WELLSTONE. Mr. Chairman, I think what I will do is, rather than really putting a question to my colleague, Senator Coverdell, I will just sort of signal the concern that we can talk about anyway as this moves forward, and signal a concern for General McCaffrey, who is going to be testifying, or two concerns.

The first one, Secretary Pickering in his testimony states, "Paramilitary groups also have clear ties to important narcotics traffickers, and para-military leaders have even publicly admitted their participation in the drug trade."

So I know President Pastrana has taken some steps to sanction some of these generals who are tied to these right-wing paramilitary groups, but it is clear that there is a continuing close link between the army and paramilitary groups, and it is also clear that the paramilitary has been heavily engaged in drug trafficking, so one of the things that, as a Senator, I want to make sure of is that none of the money in the fiscal year 2000 supplemental funding, or any recommendations that are being made here for the Colombia military will not wind up supporting the paramilitary groups, who themselves are implicated in the drug trafficking, and in flagrant human rights abuses. That is a concern I want to signal.

The second concern that I want to signal is, this is, I guess, for all of us, and maybe anticipates the testimony of the General, but according to the GAO, and I quote, "Despite 2 years of extensive herbicide spraying, U.S. estimates show that there has not been any net reduction in coca cultivation. Net coca cultivation actually increased 50 percent. This 50 percent in coca cultivation comes after \$625 million have been spent in counter narcotics operations in Colombia between 1990 and 1998."

Let me just go on. "A landmark study of cocaine markets by the Rand Corporation found that dollar for dollar, I think the General will know where I am heading here, providing treatment to cocaine users, is ten times more effective than drug interdiction schemes, and 23 times more cost-effective than eradicating coca at its source."

So I guess I am very interested in what we are going to do about the demand part, and when I look at what we are spending as a Nation on the disease of alcohol and drug addiction, and our failure to do the prevention and to do the treatment, it would seem to me that we would be wanting to spend much more of our emergency money, spending money on treatment and prevention services in this country to deal with the demand part than on the interdiction and cutting off supply part, which I think overall has not been very successful, and I want to just raise that question, and I will pursue it further with the General.

Senator COVERDELL. Might I respond briefly?

The CHAIRMAN. Please do.

Senator COVERDELL. First of all, we are in complete agreement on the paramilitary aspect of it. You are correct that there can be no doubt that they are interlocked with the narcotic infrastructure as well.

I do think that the dismissal of senior officers from general rank to lieutenant over the last 12 months is a demonstration of Pastrana's and the army's intent to see that they have no influence in the legitimate army. In fact, they almost become another hostile force that is having to be taken care of.

The issue of interdiction, I would probably disagree to some extent. The point I am making, Senator Wellstone, is that if you allow total destabilization of Colombia and the surrounding countries, you are dealing with the democratic principles of the hemisphere, and we could be creating an era of just total collapse.

That does not argue against rehab, or investment, and you cannot argue that it should not be an important part of U.S. policy here at home, to deal with prevention, which the General has led a significant program, the Congress and the administration to educate people about the dangers, and also rehabilitation. So I do not take exception, but I do not think it is an either/or. I think that would be a dangerous result for us in the hemisphere.

I do look forward to a future discussion on it. We are, I would announce, working with Senator Leahy's staff on the human rights aspect of the Coverdell/DeWine legislation. We are very serious about it, and I think the Pastrana administration has made significant progress on this point.

The CHAIRMAN. Thank you, sir.

Now, the, forever and always, gentleman, Senator Dodd.

Senator DODD. Thank you, Mr. Chairman. Let me begin by thanking you, Mr. Chairman, for having this hearing. This is a very, very important hearing, and I am anxious to hear my good friend, General McCaffrey, as well, who will be testifying shortly, and, of course, hearing the comments of my colleague and chairman of the subcommittee dealing with the Western Hemisphere, Mr. Chairman. This is a very important subject matter.

We have recently co-hosted a coffee for President Pastrana. I have met on numerous occasions now for the past 6 or 7 months with various political as well as military leaders of Colombia that have come to this country to talk about the issues affecting Colombia and this combination of problems of narco trafficking, as well as the guerrilla conflict, and the problems posed by the para-militaries that both of my colleagues, Senator Feingold and Senator Wellstone, have raised here this morning.

Mr. Chairman, this whole region, I am sure General McCaffrey is going to talk about it, we are going to talk about Colombia, obviously, here today, but the Indian region is in crisis, for different reasons and different places, but it deserves and demands our serious attention as to how we can play a very constructive role in resolving some of these major issues that pose the most immediate threat to the people of these countries, but also pose serious dangers in the hemisphere.

Mr. Chairman, I cannot find the words adequate in either Spanish or English to express my admiration for the people of Colombia, and what they have been through. The story has been told in numerous places in this country, on television programs, and news articles, but my sense is that people in this country do not even begin to understand what the people of Colombia have been through, what their political leadership has been through.

It just is beyond comprehension in this country to know that if you stand up in Colombia and run for office, and take a position, you put your life on the line. We get upset if we get a screen door slammed in our face if we go door to door campaigning.

In Colombia, you stand up and express your views, while maintaining the sovereignty of your country and protecting its future, your life is immediately in jeopardy, and literally hundreds have lost their lives, because of exercising something we take for granted every single hour of every day here.

So I want to begin any comments that I have by expressing to you, Mr. Chairman, and our colleagues, and our witness here, members of the committee, Paul, and others, the deep admiration I have for people who are going through an incredible struggle, and for us to find a constructive way in which we can be of real help to them I think is absolutely critical.

Now, the plan is an expensive one, the one that President Pastrana has outlined, as you have all heard, it is around \$7.5 billion, with \$3.5 billion to come from international sources. Senator Coverdell has outlined a more modest plan in his proposal. We run into some problems, I presume, emergency funding gets away from the caps issue, I presume that is the reason you are talking about emergency, aside from the fact that it is.

It is a comprehensive plan, and seeks to deal with economic, social, civil crises that confront Colombia. I commend President Pastrana for having that kind of comprehensive view here. Without it, I think this plan fails.

Whatever dollar amount you want to attribute to it, if it is not a balanced plan here, then it will not work, Mr. Chairman, has been my experience, any more than it did not work in other places in the hemisphere, but I am certainly not going to take a position specifically on it.

I like generally the thrust of President Pastrana's outline, Mr. Chairman. I think the thrust of it was a good one. That is not endorsing every dotted "I" and crossed "T," but the thrust of it, I think, makes sense. It is clearly designed as an integrated multi-faceted program of action. It proposes to undertake programs in the support of the peace process, in support of economic, military, and judicial reform.

Let me just cite one fact for you, Mr. Chairman. In Colombia, if you have a high school diploma, you are not drafted to serve in the Colombian military. So for the sons of peasants and workers, who do not have an education, they fight and die.

Now, I do not need to tell you the kind of potential that can cause in terms of social unrest in a society. We saw it happen in our own country a bit.

So that is the kind of thing that the opposition can feed on, can take advantage of in building support. So it is very important that President Pastrana maintain what I think he has, and that is some strong support among the general public in Colombia for what he is trying to do. But that equation could shift very quickly, and if it does, then the dynamic shifts, in terms of how you confront this problem in the long term.

So I admire the comprehensiveness of it, the fact that it does deal effectively, I think, and we will hear from General McCaffrey,



on counter-narcotics programs, alternative, and social development programs, concerted action, all of these areas I think that can produce positive results.

My concern is expressed here. If we only talk about this in the context of military and security forces, and do not provide substantial material support for other key components of this, there are some real problems in this ultimately working.

We provided this in this fiscal year, \$200 million already, Mr. Chairman, to Colombia. It is a lot of money, and we think it has been helpful, but I wanted to make the point here that we need to have as balanced a view as we possibly can, in terms of how this works.

I certainly agree with the comments of my colleague from Minnesota about our side of the equation here, and again, the demand side is something we have to take into account, in terms of ultimately discouraging the production, the growth, the transmission, the money laundering that goes on in these producing countries.

As you and I both know, Mr. Chairman, if there were not a market here in this country, there would be very little activity in these countries. Now, that is not the whole answer, but we all have to admit, that is a substantial part of this, and I think we are doing a pretty good job on the home front, we are making some headway, and we need to do more of it, and we can.

The bottom line point I wanted to make is just to underscore the importance of this being a comprehensive plan, and while I understand and appreciate the military needs, which are significant here, and I think any plan that excluded military support would be equally foolish.

But I want to make sure that we have a balanced approach on this as we go forward, and to the extent that we can encourage as much international support for these efforts, and will also, I think, be a major factor in the long-term success of our efforts.

So I commend my colleague from Georgia, and look forward to continuing to work with him on this issue, as we do it, just not only with Colombia, but as I say, Mr. Chairman, that Andean region, for different reasons, there are different problems, that could trade even a larger set of crises for us, if we do not deal with them sooner.

I apologize for taking this much time.

The CHAIRMAN. No apology necessary. Senator Coverdell, thank you very much.

Senator COVERDELL. I thank the Chair and the committee, and I will join the committee at this point, if I may.

The CHAIRMAN. Our second distinguished panel is a gentleman I admire greatly, personally and professionally, the Honorable Barry McCaffrey, who is Director of the Office of National Drug Control Policy, and the Honorable Tom Pickering, Under Secretary of State for Political Affairs. It is good to see both of you.

General, if you will proceed.

**STATEMENT OF HON. BARRY MC CAFFREY, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY**

General MCCAFFREY. Let me thank you for calling this hearing and for you and your colleagues focusing attention on this issue.

Colombia, in particular, has represented an enormous challenge to all of us who are concerned with the production of illegal drugs as one aspect for our national drug strategy.

Let me also, if I may, pay special note to Senator Biden's oversight and leadership in this issue, and Senators Coverdell and DeWine for putting together a bill which we think is moving the discussion, the debate, in the correct direction.

Senator Dodd and Senator Graham, in particular, have been very involved and active in providing their own wisdom, their own long experience of watching the north-south access, and I appreciate their involvement.

Mr. Chairman, with your permission, I would like to enter into the record my statement. We have pulled this together, along with, obviously, under Secretary Pickering's statement, and in cooperation with other actors in the inter-agency process, and it represents our collective judgment on what we ought to do.

The CHAIRMAN. Without objection, of course, it is so ordered.

General MCCAFFREY. Mr. Chairman, I will, with your permission, use some charts to sketch out an overview of what we think we need to talk about.

[The charts referred to appear on pages 26–29.]

The CHAIRMAN. Let me inquire first. Are these charts placed OK for you? All right.

General MCCAFFREY. There are also copies, I believe, of these charts, I believe, in your packet, and the press has been provided with them also. So those who cannot see it in the room, I think they will probably find it in their own packet.

Let me begin, if I may, just noting that we talk about the supply reduction function. We take into account both domestic and foreign production of drugs. We have to remind ourselves that some of the worst drugs in America are produced in America.

Probably half the methamphetamines now being consumed in the Midwest, in Georgia, on the west coast, in Hawaii are manufactured in the United States, enormous quantities of high THC level, domestically produced marijuana. The most dangerous drug in America is a 12-year-old consuming pot on weekends. So we do have to take into account, which is why goal No. 5, which is what we are talking about, of the National Drug Strategy, talks about both foreign and domestic production of drugs.

I would also take note, Mr. Chairman, that we do have a pretty detailed discussion of this in our National Drug Strategy, which we submit to Congress for their detailed debate and oversight.

There is a second volume that I also wanted to hold up, the classified annex to the National Drug Strategy. We are now in our second annual iteration of this. It is getting to be a useful document to pull together the thinking and the planning of law enforcement, of Department of Defense, of our intelligence agencies to make sure we have some conceptual organization to what we are doing in the international arena.

I would also underscore, Senator Wellstone's remarks are entirely correct. The heart and soul of what we are doing in the National Drug Strategy is to focus on prevention, education, and treatment which is linked to an unrelenting criminal justice system. So these approaches are really where we are going.

If you look at the money that Congress has given us in the last four budget years, we have increased the funding we have devoted to this issue from \$13.5 billion to \$17.8 billion, and an enormous amount of these resources you put into prevention, a 55 percent increase, and a 26 percent increase in drug treatment dollars.

I think it is starting to pay off. We are starting to see numbers that are reflecting the massive effort we have under way. When I say "we," I do not just mean the Federal Government, but State and local authorities, the Boys and Girls Clubs, the DARE program, the YMCA youth programs, the people who really run America, the community coalitions, and I thank you for that.

Mr. Chairman, the second point I would make is, our drug-control strategy in the Andean Ridge is beginning to work. Now, the best numbers we have are courtesy of the CIA, and the satellite analysis program, and other intelligence agencies. If you are growing opium outside, or marijuana, or coca plants, we are taking pictures of it and analyzing it.

It is the same technique we used on Soviet grain production. It is followed-up in cooperation with host nation governments by detailed crop analysis.

Over time, almost to the astonishment of people like me, who have been following this issue for years, we are making progress, and the Peruvians, in particular, have had a dramatic 56 percent reduction in coca production in 3 years. Unbelievable.

It is in jeopardy, and we are seeing conditions change in the source zone, but the Peruvians have done a magnificent job, and it certainly was not with the police and army. It was a function of alternative economic development and smart local politics, in combination with the Catholic Church, and with police forces, et cetera.

In Bolivia, now, there has been even, in my view, having dealt with the issue, again, for the last decade, there has been a remarkable turn-around with the President Banzer administration, a very remarkable young Vice President, Quiroga. They are making progress. There has actually been real reduction in coca.

I just flew through the region a few weeks ago. In my mind, it is almost unbelievable. The coca is disappearing from the open lands, and now it is back up in the hills in the national forest. So they are very serious about what they are trying to achieve, and you have actually seen a net reduction overall in the region of some 29 percent. That is the good news.

Here is the problem. Coca production in Colombia is skyrocketing. The rough numbers are probably a doubling or greater of coca cultivation in the last 4 years. It has been interesting. The CNP, General Serrano and his national police, particularly the 2,500 very heavily armed, trained, and effective DANTI counterdrug police, have made enormous progress.

The aerial eradication program has been an astonishing success, in that in the areas where they could target aerial eradication, it has dramatically reduced production. It does work, and it has come at the cost of blood and sacrifice in the national police and their supporting military colleagues.

More than 40 of these aircraft have been hit or shot down by ground fire during this aerial eradication campaign. But what we have seen is the drug production has moved to the south, and so

in the southern zones, Guaviare and Caqueta Provinces, which are circled in red, you have seen just an enormous explosion in drug production. Essentially, it doubled in the last 2 years.

In January, we will lay down the new CIA figures. I do not want to anticipate the results, but it is moving in the wrong direction, and not just in the amount of hectarage under cultivation, but in addition, the quality, the amount of HCL that are implicit in these plants are upgrading the crop, probably based on Peruvian plants. I think we have worse news coming in January.

Besides cocaine, which, as we all know, is currently the No. 1 problem of drug abuse in America, in terms of serious addiction, there is probably 3.6 million of us who are chronically addicted to cocaine products. Thankfully, the number of Americans using cocaine in the last decade has gone down by 70 percent, but it is still the No. 1 problem facing law enforcement, health professionals, and the welfare system.

The No. 2 problem is heroin addiction. 810,000 Americans are chronically addicted to heroin, and 6 tons of the possible 11 metric tons that we consume is coming out of Colombia, another 6 tons being produced by Mexico. Even though that is a tiny fraction of the world's production of heroin, some 400 metric tons produced in the world, it is enough to satisfy a huge piece of the U.S. national demand, and U.S. law enforcement in Miami, and in New York, in particular, the DEA and Customs, are operating with great effectiveness against that.

Now, this chart shows you the Defense Intelligence Agency's cocaine flow analysis. They have this process under control in the last several years. Our numbers now match up. We have Ray Kelley and the Customs Service doing source zone analysis, the DEA does transit zone analysis, and then other intelligence try and inform us on what is being produced. So the numbers are consistent, and we believe useful for our own policy analysis.

Colombia becomes the source of 80 percent of the cocaine in America, in terms of either originating in Colombia, or transiting through, and the situation will probably get worse. Probably half the heroin consumed in America that we seize comes out of Colombia.

Finally, just a quick regression analysis. This chart could be deceptive. Let me explain it, if I can. If you would look at the Western United States, Mexican black tar heroin is the dominant source of our heroin problem. In the Eastern part of the country, it tends to be Colombian heroin. More than 75 percent of the seizures now are Latin American heroin.

I say it is a bit deceptive, because it implies that the Southeast Asian heroin is disappearing as a factor. I do not think it is. I just think we have such effective law enforcement action going against Colombian smuggling that it is skewing the data.

There is still a huge problem in Burmese heroin coming into the United States through San Francisco and New York, but it does underscore the problem that these drugs coming out of Colombia are the center concern that we have on foreign drug supply.

Let me, if I may, end my comments, Mr. Chairman, but if I could, I would underscore five points for your consideration. No. 1, supply reduction strategy is actually working. We have had a dra-

matic reduction in net cocaine production in the source zone. It is out of control in Colombia, but the Andean Ridge, overall, we have done well.

A very important event occurred yesterday that Secretary Pickering may wish to address. We just signed a 34-nation memorandum in Montevideo, Uruguay, committing ourselves to multinational cooperation on the drug issue. This comes out of the Santiago Summit of Americas. So supply reduction and cooperation, I feel, is in the right direction.

The second point, we do need a long-term plan applied regionally to the Andean Ridge, to the Caribbean Basin, to Central America, with bipartisan support, and the numbers in the Coverdell/DeWine bill, the discussion paper that I surfaced, and other analytical efforts are in the same ballpark.

No. 3, we must have Colombian leadership. Secretary Pickering has generated the interagency process, Plan Colombia. It's sound. It's a good place to start organizing our efforts.

Point No. 4, if we are serious about drug control in Colombia, we have to support the military, also. Clearly, there must be alternative economic development, support for the judicial system, precursor chemical control, money laundering, but until the navy, marines, and army can re-introduce control in southern Colombia, the police will not be able to act against these drug-producing regions, which are heavily guarded by active FARC combat elements, narco-guerrillas.

In the final point, Mr. Chairman, we need support for CINC U.S. Southern Command's forward operating locations, the three FOL's. We have a problem. We have closed down Howard Air Force Base, the source of a couple of thousand counterdrug flights a year in the region. We now have a temporary access to Manta, Ecuador, Curacao and Aruba, but we need \$122 million over the coming 3 years, and the first-year requirement is \$42 million.

If we do not go into Manta this year and upgrade that runway, we have lost half our capacity to operate in the source zone. No AWAC's can land at Manta, Ecuador, right now, until we fix that runway. So I would ask for your support, and it has been marked up, instead of at \$42 million, at \$15 million, by Senate committee action. We will need your help.

Mr. Chairman, thank you for the opportunity to respond to these issues, and I look forward to answering your own questions.

[The prepared statement of General McCaffrey follows:]

PREPARED STATEMENT OF HON. BARRY R. McCAFFREY

THE EVOLVING DRUG THREAT IN COLOMBIA AND OTHER SOUTH AMERICAN SOURCE ZONE NATIONS

INTRODUCTION

All of us in the Office of National Drug Control Policy thank the Committee for the opportunity to testify today about the evolving drug threat in Colombia and other South American source-zone nations. Chairman Helms, Senator Coverdell, distinguished members of the committee, your interest in all aspects of drug control policy and your commitment to bipartisan support of a comprehensive response to the nation's drug abuse problem are much appreciated. We welcome this opportunity to review the comprehensive initiatives that are being conducted in support of Goal 5 of the *National Drug Control Strategy*: Break foreign and domestic drug sources of supply.

Emerging drug-control challenges in Colombia and the Andean Ridge threaten regional supply-reduction efforts and larger U.S. national security interests. Our collective efforts to implement the source-zone strategy laid out in the 1993 Presidential Decision Directive on "U.S. Policy on International Counternarcotics in the Western Hemisphere" have reduced global potential cocaine production by 29 percent over the past three years. It now appears that these important drug-control gains are eroding. CIA global crop estimates for this year (calendar year 1999) will likely show a large increase in cocaine production potential. The continued explosion of coca cultivation and continued opium poppy cultivation in Colombia undermine the U.S. source-zone strategy and Colombian democratic institutions. This increase will continue to promote cocaine addiction the world over. Colombia's ability to respond to this emerging drug threat is compromised by interlocking economic, political, and social problems: Meanwhile, U.S. Government efforts to negotiate long-term agreements, to replace expiring interim agreements with Ecuador and Aruba/Curacao, continue. The existing interim agreements allow the U.S. to operate Forward Operation Locations (FOL) to conduct essential multinational antidrug air operations following the closure of Howard Air Force Base in Panama.

Part I of this testimony provides an overview of current trends in cocaine and heroin cultivation, production, and trafficking with the "source zone" nations of South America—Bolivia, Peru, Ecuador, Colombia, and Venezuela. Part II addresses the current situation in Colombia. Part III summarizes U.S. Government drug-control programs in South America. Part IV presents U.S. challenges in Colombia and the source zone.

#### I—OVERVIEW OF SOURCE ZONE TRENDS

- *Cocaine*

Coca, the raw material for cocaine, is grown in the South American countries of Bolivia, Colombia, and Peru. Regional efforts to eradicate this crop have been quite successful in the past three years. Coca cultivation in Peru plummeted by 56 percent from 115,300 hectares in 1995 to 51,000 hectares in 1998. Potential cocaine production declined from 460 metric tons to 240 metric tons over the same period in Peru, while in Bolivia potential production declined from 255 metric tons in 1994 to 150 metric tons in 1998. These successes have been attributed to many factors, including: political will in both countries to confront the illegal drug trade, the regional air interdiction campaign that targeted drug-laden aircraft flying between coca-growing regions of Peru and processing laboratories in Colombia, control of precursor chemicals, diminished strength of insurgent forces in Peru, and alternative development programs. International drug control successes and shifting markets have forced change on the illicit cocaine industry in Latin America—a large-scale shift in coca cultivation to Colombia.

The disruptions of the Colombian Cali drug trafficking organizations in 1995 and 1996 and the earlier dismantling of the Medellin cartel created greater opportunities for other trafficking organizations to develop their businesses. The days of highly integrated cartels with centralized control over production, shipment, distribution, and marketing functions are most likely gone, replaced by shifting, temporary agreements and coalitions among smaller, more specialized trafficking groups.

- *Heroin*

Heroin is produced for the world market in nine countries in three regions of the world. Burma and Afghanistan are responsible for ninety percent of the world's opium production, which has almost doubled since 1986. An estimated 3,461 metric tons of opium was produced worldwide in 1998, a 16 percent decline in production between 1997 and 1998 due principally to drought and eradication in Southeast Asia. The Latin American component of this global production has historically accounted for 4 percent or less of worldwide totals.

While only a small portion of the world's heroin supply comes from Latin America, hemispheric production accounts for a disproportionate share of the heroin seized in the United States, according to the DEA Heroin Signature Program (HSP).<sup>1</sup> HSP is based on federal seizures made at U.S. Ports of Entry and a long-standing pro-

<sup>1</sup>The HSP is a valuable tool to our understanding of the flow of heroin to the United States, however it is based on only seized heroin. Therefore, the HSP cannot be used as the only indicator of origin for heroin available in the United States. Other factors—such as the prevalence of East Asian poly crime syndicates, or triads, or Nigerian organizations in some cities (for example, Chicago), as well as the origin of heroin seized in nations proximate to the United States (for example, Canada)—should also be considered. An interagency heroin assessment effort is currently underway to better understand the nature of the increasing heroin threat to our nation.

gram of undercover drug purchases on the streets of our major cities. It also includes random sampling for testing of all seizures made by the DEA, including distribution level seizures. Thus, the HSP covers testing at importation, distribution, and retail levels. For calendar year 1997, DEA reports indicate that Latin American heroin comprised 75 percent of the heroin seized or acquired in undercover buys in the United States. Law enforcement investigations, along with various indicator data reflect that the nation's largest heroin markets of New York, Boston, Newark, Baltimore, and Philadelphia are now dominated by the six tons of Colombian heroin produced each year. Mexico also produces about 6 metric tons of heroin per year, most of which is sent to the United States and consumed primarily in the western part of our country.

## II—COLOMBIA: A CRISIS SITUATION

- *The changing face of drug trafficking*

The drug trade in Colombia has changed significantly over the past few years. Coca cultivation has increased dramatically in response to regional airbridge interdiction efforts that curtailed the flow of coca products from Peru to Colombia. The cocaine trafficking industry fragmented following the arrests of the Cali drug kingpins in the mid-1990s and is now characterized by smaller groups specializing in limited segments of the drug trade. These groups are more difficult to detect; dismantling any one of them has less impact on the overall trade. A strategic decision by Colombian drug organizations to enter the heroin production/trafficking business has resulted in the proliferation of Colombian heroin within the United States.

Virtually all of the drug-crop cultivation in Colombia is in remote, underdeveloped regions outside the government's control and often under the control of heavily armed guerrilla or paramilitary forces. This makes eradication and interdiction enormously dangerous to security forces. Moreover, without greater protection by the Police and Army in the countryside, the government cannot deliver adequate alternative development programs to provide licit income to growers who abandon coca or poppy cultivation.

As opposed to the situation ten years ago when small airplanes were the preferred method of transporting drugs out of Colombia, the majority of drugs today leave Colombia via maritime means, either in containerized cargo or by fast boat. Transport via small plane is still the preferred method for moving drugs within Colombia, from production sites to distribution points. Riverine transport of precursor chemicals into processing regions and of finished drugs coming out has also increased substantially.

- *Exploding cocaine production*

U.S. Government crop experts from the Department of Agriculture, Drug Enforcement Administration and Director of Central Intelligence's Crime and Narcotics Center believe Colombian cocaine production may be poised for a dramatic increase in 1999.<sup>2</sup> Higher yielding coca is being cultivated in Colombia. This has yet to be reflected in annual estimates of potential cocaine production because of the two-year maturation time for the higher yielding variety of coca (*eythroxyllum coca* var. *coca*) to become fully productive. Much of the increase in cultivation in Putumayo and western Caqueta—where the higher yielding variety of coca is most likely being grown—took place in 1996–97 and those fields are only now becoming fully productive. However, new but preliminary information indicates some new fields may have become productive sooner, and that lab processing efficiencies have likely improved. That means that potential Colombian cocaine production for 1999 would reach at least 250 metric tons even if there were no increase in coca hectareage. Adding the production from the coca planted in 1999 will lead to an even higher potential cocaine production figure.

- *Colombian penetration of U.S. heroin market*

Colombian drug organizations made a strategic decision at the beginning of this decade to expand into opium cultivation and heroin production and trafficking. As a result, net opium cultivation in Colombia went from zero to more than 6,000 hectares by 1995, and has remained essentially stable since. Opium cultivation is concentrated in the Huila-Tolima area and has a potential yield of six metric tons a year. Unlike Asia, where there is a distinct growing season, cultivation is year round, resulting in multiple crops. Colombian heroin trafficking is reportedly controlled by relatively autonomous groups that developed their own smuggling sys-

<sup>2</sup> *Colombian Coca Yields: An Update*, a joint research paper prepared by experts from the DCI Crime and Narcotics Center, the Drug Enforcement Administration, and the Department of Agriculture. CN 99-40010, February 1999.

tems. The predominant mode of transportation is commercial air, with human courier mules swallowing balloons filled with heroin, hiding it in body cavities, or concealing it in their luggage.

- *The nexus between drugs and Colombia's civil conflict*

Insurgent and paramilitary organizations are profiting from the drug trade and using drug revenues to finance operations against the democratic government. The growth of drug cultivation, production, and trafficking has added to the war chests of the guerrilla and paramilitary groups, which protect and/or control various aspects of the drug industry. Colombian defense experts have estimated that the two major insurgent groups (the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) gain 50 percent or more of their revenues from their involvement in drug trafficking. Estimates vary widely on the amount of money that the FARC and ELN earn annually from the drug trade—from a low of \$100 million to a high of \$500 million. What is clear is that their revenues from the drug trade equal or exceed their other major income sources—kidnapping, extortion, and bank robberies.<sup>3</sup> The FARC, which controls or influences much of southern Colombia, earns revenues by providing protection for or directly participating in activities related to coca cultivation, drug processing facilities, and clandestine airstrips. The FARC also “taxes” the campesinos and drug traffickers at each stage of drug cultivation, production, and transport in areas under their control. The FARC, through attacks on military and Colombian National Police (CNP) logistical bases and outposts, have negatively affected the GOC's aerial eradication efforts. CNP and U.S.-owned aircraft conducting eradication missions were hit by ground fire in guerrilla-controlled areas 48 times last year.

- *A society under brutal attack*

In Colombia, the melding of guerrilla movements, or in some cases, paramilitary groups, and international drug trafficking organizations has created an unprecedented threat to the rule of law, democratic institutions, and the very fabric of society. More than 35,000 Colombians have been killed over the past decade in Latin America's longest-running internal conflict. There are an estimated 20,000 guerrillas threatening democratic governance and the viability of the State. In recent years, paramilitary organizations have evolved from their origins as self-defense organizations that sprang up in the absence of effective law enforcement and the rule of law. Today, they are competing with insurgent organizations and government forces for personnel and control of territory. They are also implicated in an increasing number of politically motivated killings and other gross violations of human rights. In addition to the involvement in the drug industry by guerrilla and paramilitary groups, the acceleration of the deadly spiral of violence in Colombia can be attributed to the 1980s boom in the cocaine industry and the extensive investments in all aspects of Colombia's economy by fabulously wealthy drug traffickers who were seeking to reinvest their fortunes, expand drug cultivation and production, and legitimize their social standing.<sup>4</sup>

Colombia's ability to respond to the exploding drug threat is hindered by interlocking economic, political, social, and security challenges. The national economy is shrinking for the first time in three decades—GDP shrank by more than 5 percent in the first six months of 1999. Unemployment exceeds 20 percent. The criminal justice system's inability to ensure that justice will be done has resulted in a loss of the public's confidence. The populace, especially in the rural areas, is turning to the guerrillas, paramilitaries, and narcotraffickers for sources of employment and income. Guerrilla recruits are reportedly paid more than twice as much as Army conscripts. Colombians are emigrating in increasing numbers to the United States, Costa Rica, and Spain among other places. Over half a million Colombians have left for good in 1998-1999.

Colombian security forces are presently incapable of conducting counterdrug operations in the Putumayo and experience great difficulty in conducting operations in the Caqueta growing regions, the source of two-thirds of Colombia's coca, because of the dangers posed by the guerrillas. Narco-guerrillas have achieved dominance of these regions because of serious shortfalls in training, force structure, leadership, intelligence, mobility, communications in the Armed Forces and Police, lack of government presence and services in rural areas, and the extreme geography of many of those areas. The series of tactical battlefield defeats suffered by the Armed Forces

<sup>3</sup>See for example, Colombia on the Brink by Michael Shifter, *Foreign Affairs*, July/August 1999 and *Colombia's Three Wars: U.S. Strategy at the Crossroads*, a Strategic Studies Institute report, Gabriel Marcella and Donald Schulz, March 5, 1999.

<sup>4</sup>*Colombia's Three Wars: U.S. Strategy at the Crossroads*, pp.14–15.



in recent years lead them to undertake some fundamental reforms. The Armed Forces and Police have had few encouraging successes against the FARC in 1999.

The Colombian Army, with U.S. assistance, is creating a special Counternarcotics Battalion that will work in support of or in coordination with the CNP in their efforts to move counterdrug operations into the Putumayo region. The members of this unit have been carefully selected, fully vetted, and are being trained and equipped with U.S. support. The GOC has also reinvested in the base at Tres Esquinas in southern Colombia to provide a center of counterdrug operations in the heart of the coca-growing region. Colombia's Joint Task Force-South is located there. Tres Esquinas will also soon be the site of the Colombian Joint Intelligence Center, which will bring together the counterdrug intelligence efforts of all the Colombian military forces and the CNP. Once the runway extension at Tres Esquinas has been completed to handle more types of aircraft, the Colombian Air Force will be able to station additional aircraft there as required in support of police and military counterdrug operations.

Such inter-service cooperation is absolutely key to creating the security conditions and force structure that will make it possible for Colombia's drug eradication, alternative development and law enforcement counterdrug programs to be successful. The 2,500 people who comprise the CNP's Anti-Narcotics Division nationwide are courageous, professional, and dedicated, but they are no match for some 20,000 FARC and ELN guerrillas, 6,000 paramilitary members, and hundreds of violent drug criminals operating in much of Colombia. Tres Esquinas will also serve as a point of departure for counterdrug operations, air interdiction of trafficker flights, and riverine patrolling. Unless the GOC can contest guerrilla and paramilitary dominance in drug-producing regions, cultivation and production will continue to expand, and the outlaw movements will continue to strengthen as a result of the enormous amounts of money generated by the drug trade.

The Administration is fully supportive of President Pastrana's desire to end Colombia's civil conflict through negotiations for a peace agreement with guerrilla groups. Unfortunately, this peace initiative has yet to yield many positive results. Negotiations scheduled to begin July 7 were postponed by the FARC who then launched a nationwide offensive on July 8 from the so-called DMZ, again making a mockery of their commitment to negotiated peace. FARC, ELN, and paramilitary forces continue committing acts of violence against the government and the civilian population, including widespread kidnapping. Three American citizens, representatives of a non-governmental organization working for the rights of indigenous peoples, were among the victims of the violence, having been murdered by the FARC in March 1999. Violence, including mass kidnappings from a church and on airline flights, continues at a level that undermines democracy and the rule of law. Rural violence has spurred campesino families to flee to urban areas already strained due to high unemployment. There are now more than one million internally displaced people in Colombia.

- *Deteriorating Regional Situation*

Colombia is now clearly the new center of gravity for the cocaine industry. Negative trends also appear to be emerging elsewhere in the region, in some cases perhaps as a consequence and spillover from Colombia's troubles.

In Peru, the drug control situation is deteriorating. Traffickers have adjusted routes and methods to reduce the effectiveness of law enforcement and interdiction operations. Peruvian coca prices have been rising since March 1998, making alternative development and eradication more difficult. Some farmers are returning to abandoned fields and the central growing areas are rejuvenating. Clearly, rebounding cultivation in Peru would be a setback to U.S. interests.

In Bolivia, continued reductions in cultivation are expected but there is cause for long term concern. The cocaine industry is still intact and coca prices remain high. Coca growers have instigated many acts of violence. Progress continues to depend on the will of the Banzer Administration to incur considerable political risk to achieve long-term coca reductions and on the availability of sufficient alternative development funds to provide coca farmers with licit income options.

The withdrawal of U.S. counterdrug operations forces from Panama by December 31, 1999 will challenge our ability to maintain adequate levels of support to the hemispheric drug control effort. The Departments of Defense and State must establish a new structure to support forward-based, source zone, counterdrug operations to replace access to Panama facilities. USG efforts to establish Forward Operating Locations for counterdrug air interdiction operations are complicated by the lack to date of U.S. congressional support to secure the required Overseas Military Construction budget and authority. We also still lack long-term access agreements with

the Governments of the Netherlands (for Aruba and Curacao) and Ecuador (for Manta).

Colombian guerrilla and paramilitary units have found sanctuary in Panama's Darien Province and cross the Colombia-Panama border nearly at will. Guerrillas also rely on supply sources in Brazil, Ecuador, Venezuela, and Peru. An insurgency that once was mostly an internal Colombian problem is now fueled by enormous drug wealth and is gaining regional security significance.

### III—THE U.S. SOURCE ZONE STRATEGY

- *The imperative for supply reduction*

The rule of law, human rights, and democratic institutions are threatened by drug trafficking and consumption. International supply reduction programs not only reduce the volume of illegal drugs reaching our shores; they also attack international criminal organizations, strengthen democratic institutions, and honor our international drug-control commitments. The U.S. supply-reduction strategy seeks to:

- (1) eliminate illegal drug cultivation and production;
- (2) destroy drug-trafficking organizations;
- (3) interdict drug shipments;
- (4) encourage international cooperation; and
- (5) safeguard democracy, human rights, and respect for the rule of law.

- *A source zone focus*

The United States continues to focus priority international drug-control efforts on source countries. International drug-trafficking organizations and their production and trafficking infrastructures are most concentrated, detectable, and vulnerable to effective law enforcement action in source countries. In addition, the cultivation of coca and opium poppy—and the production of cocaine and heroin are labor intensive. For these reasons, cultivation and processing are relatively easier to disrupt than other downstream aspects of the trade. The international drug control strategy seeks to bolster source country resources, capabilities, and political will to reduce cultivation, attack production, interdict drug shipments, and disrupt and dismantle trafficking organizations, including their command and control structure and financial underpinnings.<sup>5</sup>

- *The international context in which we operate*

The era in which hemispheric anti-drug efforts were characterized by bilateral initiatives between the United States and selected Latin American and Caribbean nations is gradually giving way to growing multilateral initiatives. The 34 democratic nations in the Americas and the Santiago Summit of the Americas have recognized that the lines demarcating source, transit, and consuming nations have become blurred as drug abuse and drug-production become a shared problem. The growing trend toward greater cooperation in the Western Hemisphere has created unprecedented drug-control opportunities.

The counterdrug institutions required for successful hemispheric cooperation are beginning to be established. Many of the requisite multi-national mechanisms and processes are also in place or under development. The anti-drug action agenda signed during the 1994 Miami Summit of the Americas is being implemented. All members of the Organization of American States endorsed the 1995 Buenos Aires Communique on Money Laundering and the 1996 Hemispheric Anti-Drug Strategy. The hemisphere's thirty-four democratically elected heads of states agreed during the 1998 Summit of the Americas in Santiago, Chile to a Hemispheric Alliance Against Drugs. All nations agreed to broaden drug prevention efforts; cooperate in data collection and analysis, prosecutions, and extradition; establish or strengthen anti-money laundering units; and prevent the illicit diversion of chemical precursors. The centerpiece of the agreement is a commitment to create a multilateral evaluation mechanism (MEM)—essentially, a hemispheric system of performance measurement. OAS/CICAD has moved rapidly since the Santiago Summit. In a series of two consultative meetings and six Intergovernmental Working Group Meetings, chaired by Canada's Jean Fournier and Chile's Pablo Lagos, the basic outlines of the evaluation system were negotiated. The system is divided into five main categories for evaluation: 1) National Plans and Strategies; 2) Prevention and Treatment; 3) Reduction of Drug Production; 4) Law Enforcement Measures; and 5) Cost of the Drug Problem. The MEM will be inaugurated during the twenty-sixth regular session of CICAD in Montevideo, Uruguay (October 5–8, 1999). Further discussions

<sup>5</sup> Additional information about international drug-control programs is contained in the *Classified Annex* to the *Strategy*.

will be held on qualifications of experts for the evaluation group, the development of an evaluators' operations manual, and the question of financing. The week following the Uruguay meeting, the MEM will start its work. The results of the first evaluation round (using an abbreviated system) will be presented at the Third Summit of the Americas in Quebec City, Canada in May 2001. Based on guidance of Presidents, CICAD will revise MEM and prepare for full evaluation in year 2001.

- *The Western Hemisphere Drug Elimination Act*

Last year 1998, Congress enacted the Western Hemisphere Drug Elimination Act (WHDEA) which authorized \$2.7 billion for use by drug control agencies in illicit drug supply reduction activities. The WHDEA included \$565 million in new authority for source country and regional programs and over \$2.1 billion in new authority for the improvement of U.S. transit zone interdiction capabilities. In ONDCP's view, the priorities outlined in the WHDEA generally did not best support the *National Drug Control Strategy*. Some provisions of the Act required investments that exceeded well-articulated agency contingency funding plans. To support the WHDEA, Congress appropriated \$844 million in an FY 1999 Emergency Supplemental Appropriations Act for counterdrug activities. Ironically, Congress now seems to be on a path which would fail to fully fund the FY 2000 budget request of the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), which is the entity responsible for implementing many of the programs mandated in the WHDEA.

#### IV—U.S. CHALLENGES IN COLOMBIA AND THE SOURCE ZONE

- *Provide adequate and responsive counterdrug support to the Government of Colombia*

The United States has committed to work with the Government of Colombia to develop a comprehensive response to the enormously increased threats. We are determined to help reestablish the rule of law and allow the development of legitimate economic alternatives to the drug trade. Such support will be limited to counterdrug training, administration of justice, resources, equipment, intelligence, and regional political support operations, as U.S. policy is absolutely to not intervene militarily in Colombia's internal struggle.

The Government of Colombia has responded to its broad array of challenges with a new version of its national strategy, "Plan Colombia," which President Pastrana discussed with President Clinton and several members of Congress during his visit to the U.S. in late September. We believe that this comprehensive, integrated strategy provides a framework that will allow Colombia to find a way to: increase its capabilities to conduct counterdrug operations in the Putumayo, Caqueta, and poppy growing areas; improve infrastructure supporting eradication, interdiction, chemical control, and other Colombian counterdrug operations; strengthen the Colombian Joint Task Force-South and its military-police Joint Intelligence Center at Tres Esquinas; increase operational tempo of counterdrug maritime and riverine missions; help develop an effective criminal investigation, prosecution and incarceration capability; improve the economy and provide alternative economic development; and continue efforts to negotiate an end to the FARC/ELN and paramilitary violence. We believe at ONDCP that the key to ending Colombia's crisis is to eliminate drug production and trafficking and the money it provides for outlaws and terrorists. At the same time, we realize that drug production is linked to other endemic challenges in Colombia. Under Secretary of State Thomas Pickering is leading an interagency effort to assist the GOC to refine and operationalize its broad national strategy. This process will ensure that the U.S. Government is in the proper position to make well-grounded decisions about the nature and level of our ongoing support to Colombia.

- *Prevent a reversal of counterdrug gains in Bolivia and Peru*

We face the very real possibility of reversal of the dramatic reductions made against the coca industry in Peru. We have seen indications that trafficking organizations are adjusting to the disruptions we've achieved since 1995. Certainly, the increased number of multi-ton seizures in commercial maritime conveyances suggests that this mode of trafficking may be more important than before.

- *Restructure the theater interdiction architecture: establishing forward operating locations*

Over the past decade, the majority of Department of Defense support to the cocaine source country effort was provided from U.S. military facilities in Panama. Over two thousand counterdrug flights per year originated from Howard Air Force Base. This vital facility supported—operationally and logistically—interagency detection, monitoring, and tracking operations from the Customs Service, Defense De-

partment, Coast Guard, CIA, and DEA conducted by P-3 Airborne Early Warning (AEW) aircraft, P-3 Counterdrug Upgrade (CDU) aircraft, E-3 AWACs, E-2 early warning aircraft, F-16 fighters, C-550 Citation trackers, and various other aircraft. The U.S. military presence in Panama also supported transit zone interdiction operations, provided facilities for pier-side boarding and destructive searches, supported training in small boat operations and maintenance, and provided jungle operations training for small counterdrug units. The counterdrug capabilities resident in Panama provided significant support to the efforts of the U.S. Customs Service, the U.S. Coast Guard, the Drug Enforcement Administration, and our many regional partners.

As a result of the closure of Howard Air Force Base on May 1, 1999—as part of the drawdown of U.S. forces in Panama required to be completed by December 31, 1999—the Departments of Defense and State are working to establish Forward Operating Locations (FOLs) in Manta, Ecuador and Aruba/The Netherlands Antilles (Curacao). Temporary interim agreements have been reached with Ecuador and The Netherlands. Negotiations are underway for long-term agreements that will allow significant infrastructure improvements to facilitate around-the-clock operations at both locations.

The timely replacement of Howard Air Force Base's counterdrug capabilities is dependent upon a number of key steps that are already either in progress or under coordination. The restoration of full air and sea interdiction coverage will require significant Overseas Military Construction, especially in Ecuador, to improve FOL facilities. Additional legislative authority will be required to obligate FOL upgrade funds. Budget estimates for the establishment of FOLs may be revised after detailed site surveys are completed. The interim agreements with Ecuador and Aruba/Curacao are scheduled to expire within one year's time. Long-term agreements are still being negotiated.

A concerted U.S. government effort is required over the next eighteen months to ensure that we maintain full support to the National Drug Control Strategy as we reestablish our regional counterdrug support infrastructure. This interagency effort must include: long-term agreements with host nations, overseas military construction authority and budgets, and commitment from interagency force providers to maintain an uninterrupted level of effort. The Secretaries of State and Defense have indicated full commitment to ensuring that the necessary steps are taken to bring the FOLs to full operational status. We now need to ensure that all of the other affected elements of the U.S. Government are similarly prepared to support this FOL plan. We cannot afford a long-term degradation of detection and monitoring capabilities over the Andean Ridge, Caribbean and Eastern Pacific trafficking routes.

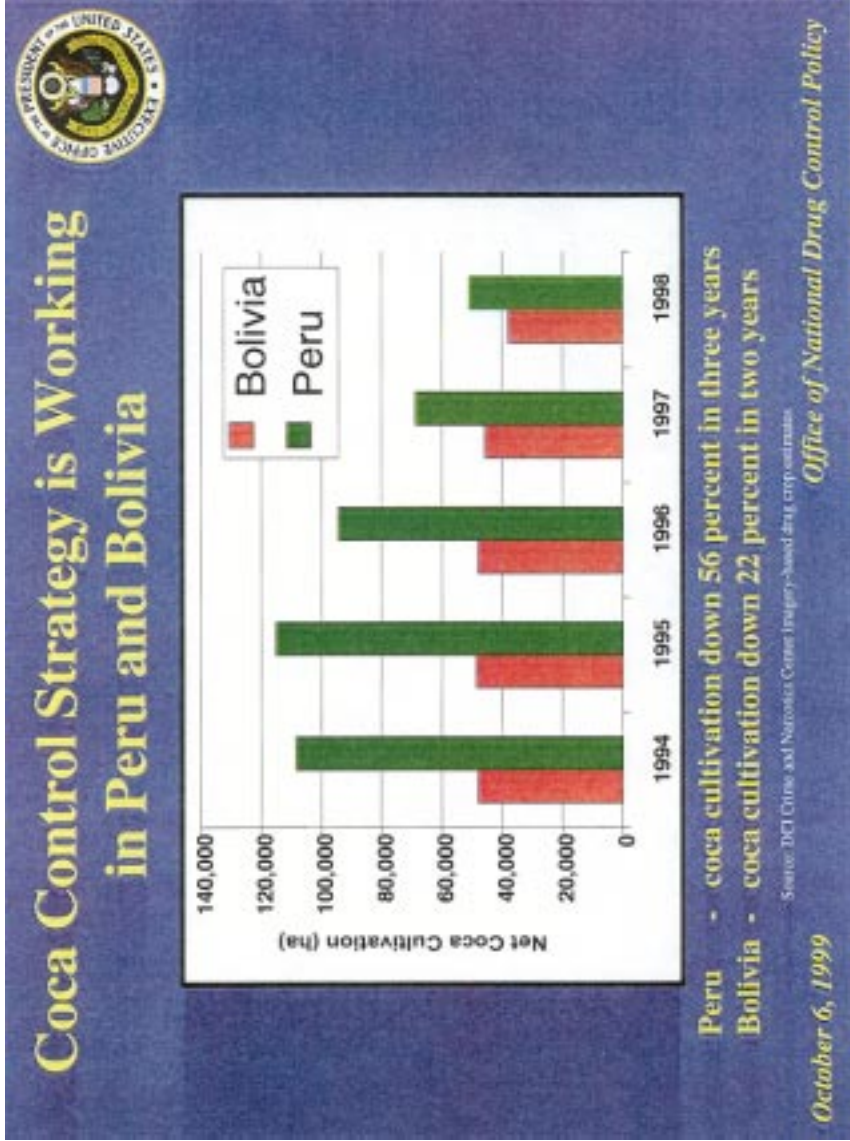
#### CONCLUSION

Experience teaches that countries that enjoy political, economic, and social stability derived from effective democratic institutions are most capable of mounting coherent policies to reduce drug cultivation, production, trafficking and money laundering. U.S. international counterdrug assistance must continue to be carefully coordinated by our Ambassadors to ensure that drug-policy objectives support U.S. foreign policy goals of promoting democracy and protecting human rights. In many instances, such U.S. assistance must take the form of building military social and political institutions that further democratic governance while confronting the drug trade.

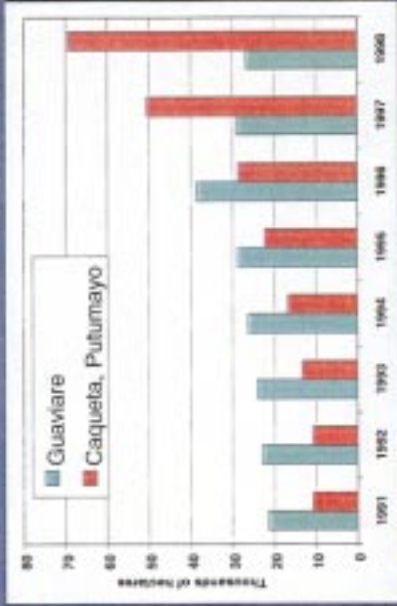
The recent operational loss of a U.S. Army reconnaissance aircraft in Colombia—and the death of five U.S. Army crew members and two Colombian Air Force riders—is a reminder of the real dangers inherent in confronting criminal international drug organizations. The men and women in the Department of Defense, Coast Guard, Customs Service and DEA risk their lives for our national security. We appreciate their efforts. In August 1994 we also mourned the loss of five DEA special agents who were killed in a plane crash during a reconnaissance mission near Santa Lucia, Peru.

Chairman Helms, Senator Coverdell, we thank you, the rest of the Committee, and the Congress as a whole for the bipartisan support you have provided our drug-control efforts in the Western Hemisphere. Your support has been essential to the progress we achieved over the past three years in reducing coca cultivation and cocaine production in Bolivia and Peru. With your continued support we can stand by courageous and dedicated Colombians who at great personal risk share our commitment to confronting criminal drug organizations and the devastation they cause to the international community.

Thank you for the opportunity to appear before you today.



# Drug Cultivation is Skyrocketing in Narco-Guerrilla Areas



**Coca Cultivation Up  
126% in Four Years**

Source: ECI Centre and Narcotics Center strategy-based drug crop estimates

Office of National Drug Control Policy

October 6, 1999





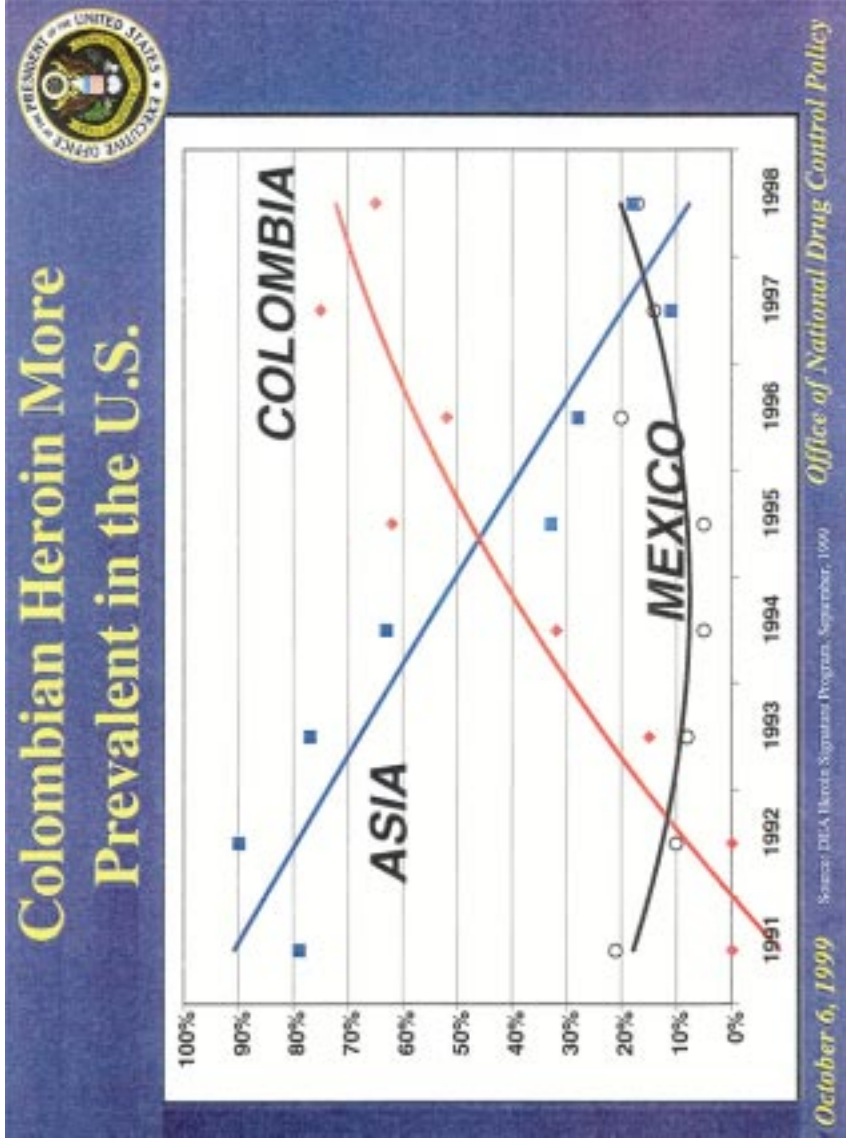
# Colombia: Drug Trafficking Center of Gravity



Office of National Drug Control Policy

October 6, 1999

Source: Special Heroin and Cocaine Movement Assessment, Sept. 1999





The CHAIRMAN. All Senators present who worked to increase it back to \$52 million, please——

General MCCAFFREY. That is easy.

The CHAIRMAN [continuing]. Raise your hand if you——

You are going to have to use your own judgment.

I, unfortunately, have another commitment that I cannot get around. Before I go, General McCaffrey, I dislike missing your testimony, Tom, but on July 13, General, you wrote to Secretary Albright, sent her a discussion paper, describing the growing drug crisis, and I quote, “The explosion of cocaine in Colombia,” which you just discussed. Now, that was 3 months ago.

When do you think we are going to see the administration’s plan for dealing with this crisis?

General MCCAFFREY. Well, it is a very serious engagement on the issue. Secretary Pickering is our quarterback. He is as good as we can produce. Clearly, Madeleine Albright, Bill Cohen, and Sandy Berger are all engaged. This fall, we have to give you our recommendation. This is an emergency situation.

The CHAIRMAN. Tom, do you have any comment on that?

Secretary PICKERING. I would second what General McCaffrey has said. We have all seen what he has laid out for you as an explosion in Colombia, an issue that we are all very much concerned about, and we have now taken Plan Colombia, we are looking at that very carefully to gauge our support and what others will be doing. We will certainly, after we finish that review, come forward and consult with you, you are central to a bi-partisan effort to make this happen, and I think we all know how long you are going to be in session, more or less, and I think we all know that we have to get something up here while you are here.

The CHAIRMAN. I am sorry you brought that up.

General MCCAFFREY. That is why I said more or less, Mr. Chairman.

The CHAIRMAN. Senator Coverdell and Senator DeWine have a plan, as you know, based on what the people in the front lines say is needed to get the job done, and that totals, what is it, \$1.5 billion. The administration has told agencies internally to cap their requests at \$1 billion.

Now, I do not know how to phrase this question, but are you committed to doing this job right, and can you do it with \$1 billion? Both of you.

General MCCAFFREY. Well, I think the numbers—what we have tried to do is we said we need a strategy step one, not an equipment list, and there has been an intensive debate. I would say that Mr. Berger, Secretary Albright, and I all believe we have to adequately support Plan Colombia, and the numbers range between \$1 billion and \$2 billion-plus.

Now, we are trying to go through an analytical process to sort out what will achieve our purpose.

I think most importantly, what many of us believe, certainly, I think Secretary Pickering and I, it is not just this budget year. We have to tell the FARC and the other combatants, talk now, or the situation will move in the wrong direction.

So the Colombian democracy has to see a long-term commitment to them, 3 years, minimum. I think we are going to try and send Capitol Hill a plan that has a long-term focus to it.

The CHAIRMAN. Good. Senator Feingold.

Senator FEINGOLD. I have several questions for Mr. Pickering, but I assume he will be testifying still.

The CHAIRMAN. Yes.

Senator FEINGOLD. Let me just ask one question of the General then.

General, Carlos Castano, the notorious para-military leader and drug trafficker, has been the subject of an order for his capture for a long time. Why have not the Colombian military or the Colombian police, under General Jose Serrano, been able to take Mr. Castano prisoner?

General MCCAFFREY. Well, I think it is an unsettling comment on the internal situation in Colombia. The chaos, the violence is—the situation in Colombia is almost unbelievable, in terms of the inability of the forces of democracy to control their own land area. Forty percent of the country, essentially, you cannot move around in, unless you are in a multi-battalion formation.

I do believe that there is a commitment on the part of President Pastrana. My own personal view is that President Pastrana, his Minister of Defense, and General Serrano, the police chief, are committed to bringing under control these savage reprisals by para-military forces, which are clearly now the dominant source of suffering of the Colombian people in some parts of the country.

The FARC and the ELN are involved in mindless violence, which is reciprocated by the para-militaries. I think the democratic forces are trying to confront it with limited success.

Senator COVERDELL [presiding]. A logistical question, if I might, to both of you. I thought, given the nature of the questions being addressed to both of you, we could go ahead and hear Secretary Pickering's remarks, and then let the questions go to both of you, if that will not inconvenience you, General McCaffrey.

General MCCAFFREY. Yes, that is fine.

Senator COVERDELL. I wonder if we might go ahead and hear from you then, Secretary Pickering.

**STATEMENT OF HON. THOMAS R. PICKERING, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, DEPARTMENT OF STATE**

Secretary PICKERING. Thank you, Senator Coverdell, very much, and I thank you and the chairman, and all the other members who have had the willingness to come and hear us this morning on what is an extremely important issue.

First, I want to say, we are very pleased to be working with President Pastrana. We have greatly improved and strengthened relations since he took office back in August 1998.

There are a number of difficult and serious issues still before us, but a reliable and committed partner like President Pastrana for the U.S. Government has greatly enhanced our ability to work in that country for the directions that I think we all now considered this morning several times.

I do not think I need to review in detail why Colombia is a vital interest to the United States. Counternarcotics remain key in our policy toward Colombia, and it is in our clear interest, obviously, to support President Pastrana and all the elements of that policy, including his work to try to bring peace to the country.

Colombia is an important economic partner. It is our largest export market, and peace there would certainly enhance democracy and stability in the region, as you, yourself, has said.

We clearly need to continue to work very hard. General McCaffrey covered what is going on. DEA estimates that 75 percent of the heroin consumed in the east coast comes from Colombia, although, Colombia produces less than 3 percent. We have seen the figures on cocaine growth in the region, despite the fact that we have had very effective eradication campaigns in some area. But Colombia's national sovereignty is now increasingly threatened by well-armed and ruthless guerrillas, by para-militaries, and by narco trafficking interests, which are all, as we have seen, directly inter-linked in many ways.

Although, the government is not now directly at risk, these threats are slowly eroding the authority of the central government, and depriving it of the ability to govern outlying areas. It is in these lawless areas where the guerrilla groups, the paramilitaries, and the traffickers flourish, and that the narcotics industry is literally finding a refuge. As a result, large swaths of Colombia are in danger of becoming narco-districts for the production, transportation, processing and marketing of these substances.

These links between narcotics trafficking and the guerrilla and paramilitary movements are well-documented. Profits from these illegal activities, combined with a weakened economy and very high unemployment, have enabled the FARC, in particular, to grow rapidly in terms of manpower and military strength. We estimate that they now have 10,000–15,000 active members, the ELN has around 5,000, and there are an estimated 3,000 to 5,000 paramilitary members, who all participate in this connection. Much of the recruiting success occurs in marginal rural areas where the groups can offer salaries much higher than those paid by legitimate employers. Estimates of guerrilla income from narcotics trafficking and other illicit activities, kidnapping and extortion, are unreliable, but clearly exceed \$100 million a year, and could be much greater. Of this, we estimate some 30 percent to 40 percent comes directly through the drug trade.

Paramilitary groups also have clear ties to important narcotics traffickers, and their leaders have even publicly admitted their participation in the drug trade.

We have thus reiterated recently, General McCaffrey, President Clinton and Secretary Albright, the high priority we place on helping Colombia's democracy, as it faces these interrelated challenges of narcotics, guerrillas, paramilitaries, and poverty.

The U.S. will work closely with President Pastrana to support these efforts, to initiate a peace process, to broaden counter-narcotics activities, to foster economic growth and development, and to protect internally displaced persons.

We have already expanded our assistance to Colombia to over \$300 million in the last fiscal year. Colombia is now, therefore, the

largest recipient of U.S. counter-narcotics aid in the world, and the third largest recipient of American assistance overall.

Let me for a minute address Plan Colombia, which we have talked about, and which we are now engaged in analyzing. Colombia has developed a strategic approach to these national challenges for the first time. The Plan Colombia, a plan, as they call it, for peace, prosperity, and strengthening of the state, is a major step in the right direction.

At this point, I would like to ask permission to submit that to you for the record for your own study.

Senator COVERDELL. It will be so inserted.

[The information referred to is in the appendix on page 55.]

Secretary PICKERING. The plan is ambitious, but realistic. It is a package of mutually reinforcing policies designed to revive Colombia's battered economy, strengthen the democratic pillars of the society, promote the peace process and to eliminate the sanctuaries for narcotics producers and traffickers, and generally attack overall, the narcotics problem.

The strategy combines existing policies in Colombia with new initiatives, to forge an integrated approach to resolving Colombia's most pressing national challenges.

We consulted closely, as General McCaffrey has said, on the building blocks, which make up the plan, with Colombian leaders and senior officials, but the plan was formulated, drafted and approved in Colombia by President Pastrana and his team. Without its Colombian origins and its Colombian stamp, it would not have the support and commitment of Colombia behind it, which is absolutely necessary if there is to be any serious chance for success.

We share Colombia's assessment that an integrated, multi-year, comprehensive approach to Colombia's interlocking challenges holds the best promise for success. Counter-narcotics efforts will be most effective when combined with rigorous law enforcement and military cooperation, complementary alternative development programs, and measures to assure human rights accountability.

Similarly, promoting respect for the rule of law is just as essential for attracting foreign investors as it is for securing a durable peace arrangement.

Plan Colombia covers five critical themes: economic policy, judicial system, counter-narcotics, democratization, human rights and social development, and the peace process.

The Colombian economy, historically, has been a strong performer. This year it is in the midst of its worst recession, indeed, its first recession since 1931. This is due to the emerging market's fallout, longstanding fiscal problems, and now mounting losses in the country's financial sector.

The economy contracted 5.8 percent in the first quarter of 1999 and the GDP will probably drop by 3 to 4 percent this year. Unemployment is at 20 percent. You can see how that plays into the problem.

To deal with this, Colombians are proposing reforms, stabilizing banking sector, correcting fiscal imbalances, promoting trade and foreign investment, and a renewal of the preferential trade agreements we have under the Andean relationship with the United

States, and to target government assistance on those most hurt by the stabilization measures.

They have been working with the IMF, as we have heard, and over the next year, the IMF will provide \$2.7 billion for balance of payments support, and other international financial institutions will provide \$4.2 billion to Colombia in the same period. About three-quarters of a billion, as you have noted, Senator Coverdell, is directly related to Plan Colombia.

The judicial system is weak and unresponsive, and has too often prompted Colombians to take the law into their own hands, with tragic results. They propose reforming the judicial system to make it fair, accessible, independent and effective.

This will clearly take time. It will require work with the legislative branch, as well as the judicial branch in Colombia. They propose to strengthen investigatory and prosecutorial capabilities. They are going to undertake vigorous enforcement against corruption, propose a real increase in training on human rights issues, and they want to reduce levels of violence and strengthening the rule of law.

The adoption in their judicial system of the accusatorial process in place of the traditional interrogatory trial process will help, in our view, in the reform of the judiciary, and in making it more effective.

Now, a central issue. To deal with counter-narcotics, the strategy seeks to prosecute and incarcerate individuals and organizations who are associated with the drug trade, dismantle trafficking organizations, something they have had some success with, neutralize the drug trade's financial system, introduce an effective air interdiction system, and create a strong disincentive for drug crop production through eradication and law enforcement.

In all of these objectives, Colombia intends to mesh its national initiatives with international efforts, and regional cooperation.

They envision closer counter-narcotics cooperation between the national police and selected carefully vetted units of the Colombian military against heavily armed guerrillas and paramilitaries.

They also believe that breaking the nexus between the guerrilla groups and the narco-traffickers, particularly in southern Colombia, the area that General McCaffrey just pointed out, as the area of greatest growth, is key to significant progress, and the efforts to bring peace to the country, reduce narco-trafficking, and deny a major source of funding to guerrillas and paramilitaries.

We are involved with Colombia on a wide range of programs in support of a counter-narcotics strategy already. U.S. policy of aiding aggressive Colombian eradication efforts has largely controlled the coca crop, as we have seen from the charts, in the Guaviare region and is beginning to make inroads in Caqueta.

The gains made, however, have been more than offset by the explosive growth in the coca crop in Putumayo, and now in northern Colombia, in Norte de Santander Province.

Putumayo, on the Ecuador border, is an area that remains beyond the reach of the government's eradication operations. Strong guerrilla presence and weak or non-existent state authority have contributed to the dire situation in Putumayo.

The Government of Colombia plans to launch a comprehensive step-by-step effort there to counter the coca explosion, including eradication, interdiction, and alternative development over the next several years. This is one of the heart elements of Plan Colombia.

In the Pastrana administration, the U.S. has a full and committed partner that shares our goals in this area for Colombia, and is dedicated to complete cooperation on the full range of counter-narcotics efforts.

The Colombian Army has greatly expanded cooperation with the national police, and as I said, has formed a new, fully vetted counter-narcotics battalion, specifically designed to work directly with CNP on these missions.

The air force has increased air interdiction, combat air support and intelligence support in the effort.

We also believe the Colombian Marine Corps' riverine interdiction contribution, which has led to seizures along Colombia's extensive river system, merits our positive attention.

Colombia has a large inventory of seized narco-trafficker farms and ranches which could be used to resettle coca farmers from remote areas, where alternative crops would not be feasible due to land and other agricultural conditions. Legal and security issues have inhibited this in Colombia.

However, the government is now actively reviewing the possibility of establishing a pilot program of transferring the land to former coca farmers, with appropriate safeguards.

We have also supported the efforts of the Pastrana administration to advance the protection of human rights and to prosecute those who abuse them. Complicity by elements of Colombia's security forces with the right wing militia groups is and remains a serious problem, although the government has taken important steps in holding senior military and police officials accountable for participation in human rights violations.

Since assuming office in August 1998, President Pastrana has demonstrated his government's commitment to protecting human rights by cashiering a number of senior and mid-level officers for complicity with paramilitary groups. Three generals have been dismissed. Most recently, Brigadier General Bravo was dismissed for his failure to take measures to prevent right-wing militia massacres that occurred in La Gabarra and Tibu in late August 1999.

They have also made reforms in their military courts. In 1997, the Constitutional Court told the military judicial system to relinquish to the civilian judiciary the investigation and prosecution of grave human rights violations.

In the last 2 years, civilian courts have convicted 240 members of the armed forces and police of human rights violations.

The Pastrana Government has also begun a program to ensure the physical safety of human rights defenders. Much more has to be done, but we believe the Pastrana administration has shown sincerity in its commitment to improving the human rights situation.

Our assistance to Colombian military and police forces is provided strictly in accordance with section 568 of the fiscal year 1999 Foreign Operations Appropriations Act, known as the Leahy

amendment, and section 8130 of the fiscal year 1999 Defense Appropriations Act, its counterpart.

All military units of the Colombian security forces which receive counter-narcotics assistance are carefully vetted by our embassy in Colombia and by the Department of State.

No U.S. assistance can be provided through the Department of State to those military units for whom we have credible evidence of the commission of human rights violations, unless the Government of Colombia takes adequate steps to bring those responsible to justice.

There are strict procedures in place to verify that individuals and units proposed for our assistance and training have not been involved in human rights abuses.

Democratization and social reform are also important parts of this particular effort. They recognize in Colombia that they can regain the confidence of its citizens only by strengthening its democratic and social institutions, particularly those that assist victims of the country's violence and drug trade.

Accordingly, they are proposing measures to promote respect for human rights more generally, to assist those displaced by civil strife, to implement alternative development programs, to combat corruption, and strengthen local governments and the role of civil society, and to provide sustainable development assistance to areas that have been torn up by the conflict.

The government acknowledges the urgent need to improve physical security and protection for human rights workers and the non-governmental organizations to which they belong. Currently, they have dedicated \$5.6 million to provide that physical protection to approximately 80 human rights activists and their offices.

The plan outlines measures to strengthen the human rights ombudsman's office, as well as to establish a permanent national commission on human rights and international humanitarian law.

One of the most serious problems in Colombia, one that probably does not receive adequate attention, is the plight of its internally displaced persons. The scope of the problem is really enormous, and I was pleased that you brought forward figures on the 800,000 displaced since 1995, Senator. The vicious 40-year conflict, now being carried out between paramilitaries and guerrillas, is largely responsible for the forced displacement of Colombians.

As many as 300,000, mostly women and children, were driven from their homes in 1998 alone by rural violence. NGO's report that Colombia has the fourth largest population of displaced people in the world.

The U.S. is providing several million dollars in assistance to the internally displaced through the International Committee for the Red Cross.

Finally, let me discuss the peace process. Colombia's internal conflict, which has been the longest running in the hemisphere, has its roots in civil strife going back to the 1950's, and has developed over a nearly 40-year period into a broad-scale conflict.

It continues each year to claim the lives of thousands of individuals, and it complicates seriously efforts to achieve important objectives, like stemming the drug trafficking.

Resolving this conflict will take time, commitment, and persistence, not only by the Government of Colombia and the Colombian people, but by members of the international community, who are broadly committed to helping Colombians bring peace and national reconciliation to the country.

President Pastrana has made a beginning to bringing an end to Colombia's civil strife through a peace agreement with various insurgent groups, a central goal of his administration.

Pastrana believes, and the U.S. Government agrees, that ending the civil conflict and eliminating all of that conflict's harmful side-effects is central to solving Colombia's multifaceted problems.

A peace agreement would, of course, stabilize the nation, it would help Colombia's economy recover, allow for further improvement in the protection of human rights, and make for further ease in the efforts to deal with the narcotics problem. A successful peace process would also restore Colombian Government authority and control in the now vacated coca-growing region.

But peace at any price is fool's gold, we all know that. We applaud the Colombian Government's determination to press the guerrillas to cease their practices of kidnapping, forced recruitment of children, and attacks against the civilian population.

We have made clear to all parties that the peace process must support and not interfere with counter-narcotics cooperation, and that any agreement must permit continued expansion of all aspects of this cooperation.

The return of the three American citizens, missionaries, from the New Tribes Mission organization, who were kidnaped in January 1993, remains a high priority for the U.S. Government, and we hold the FARC responsible for this kidnapping, and we call on it again to provide a full accounting of the whereabouts and status of these missionaries.

We want to repeat again today our demand that the FARC turn over to the proper authorities those who have been responsible for the brutal and senseless March 4 murder of three U.S. citizen indigenous rights activists working in Colombia. We have demanded a complete investigation by legitimate law enforcement entities.

In particular, the investigation needs to identify all of those responsible for the murder of the three U.S. activists, and we have insisted that the Government of Venezuela and the Government of Colombia identify and prosecute those individuals responsible for this serious crime. Both governments have been receptive to our requests and are pursuing efforts to bring those responsible to justice.

Regarding the Department of State's contacts with the FARC, I want to tell you today that we initiated those contacts, as you know, at the request of the Pastrana Government solely in order to promote a peace process, which we all support, and to press directly the FARC for an accounting of the three New Tribe's missionaries. We are not a negotiating party, in any sense of the word. Only Colombians can do that.

After the tragic killings of the three Americans in March, we immediately suspended those contacts, and they remain suspended today.



Finally, during my recent trip to Colombia, President Pastrana requested that the U.S. Government support and help in Colombia's effort further to refine the comprehensive strategy to address the inter-related problems that confront him and his country.

In response to that request, we worked closely with the Government of Colombia as it formulated this strategy. This strategy was early shared with us in the form of a draft, which we reviewed to ascertain how we can best help President Pastrana and the Colombian people implement that strategy.

Colombia will fund the bulk of the dollars that are required for the strategy, over \$7.5 billion, in their estimation, but as you have said, seeks supplementary support of up to \$3.5 billion from the international community, including the United States.

The U.S. Government has already been helpful in addressing Colombia's needs, and so have the international financial institutions, and we are currently intensively reviewing within the administration the Colombian plan to determine whether and in what additional ways our support is justified.

We are discussing how we can use existing authorities and funds to support counter-narcotics operations, and we are ready to work with the Colombians in assessing their strategy and the optimum ways in which we can assist them in the effort to resolve this systemic series of national problems, many of which adversely impact directly upon citizens and businesses in this country.

We are also considering how to engage further the international financial institutions, the European Union, and other potential donors, and we look forward to consulting further here with the Congress when we have completed this ongoing review.

Mr. Chairman, the administration has been pleased by the bipartisan support from both Houses that share our concern for Colombia's future, and our recognition that this is a key moment in which to contribute to a positive course of events, and we particularly appreciate the work which Senator Coverdell and Senator DeWine have done on a bill, which I think fits into the scope of this bipartisan effort, that we do believe needs to be undertaken.

Recent letters to and from the administration to the leadership in both Houses, and with other key Members, have ratified for us that sense of bipartisan commitment which is badly needed if we are to deal effectively with these problems, and concerted action now, in our view, could help over the next coming period to stem the illicit narcotics flow to the United States. Action now can also contribute to a peaceful resolution of a half-century of conflict, with all of its threats to democracy, and effectiveness of the economic changes in the hemisphere, and action now could return Colombia to its rightful historical place as one of the hemisphere's strongest countries and democracies.

Thank you very much for your patience in letting me go through what is a long recitation, but I believe an important one, and I believe that it should give you now a clear assessment of where the Colombians are, and how we see that picture, and obviously, we look forward to consulting with you further as we develop the plans and proposals actually to carry out our part of the Plan Colombia and our commitment to it.

[Prepared statement of Secretary Pickering follows:]

## PREPARED STATEMENT OF HON. THOMAS R. PICKERING

## U.S. POLICY TOWARD COLOMBIA

Mr. Chairman, members of the Committee, I appreciate the opportunity today to discuss U.S. Government policy toward Colombia.

The U.S. Government is delighted to be working with President Pastrana. We have greatly improved and strengthened bilateral relations since he took office in August 1998. Difficult issues still exist in our bilateral relations, but with a reliable and committed partner like President Pastrana, the U.S. government has greatly enhanced its cooperation and engagement to address these issues.

Colombia is of vital interest to the United States. Although counternarcotics issues remain key in our policy towards Colombia, it is in our interest to support the Pastrana Administration and the peace process. Colombia is an important economic partner of the U.S., and is in fact our 5th largest export market in Latin America. Peace in Colombia would benefit not only Colombia, but would also enhance the stability of the region.

Our mutual interests are directly at stake in Colombia. Drug trafficking and abuse cause enormous social, health, and financial damage in the United States. The problems confronting Colombia directly affect communities not only within that nation, but in the workplaces, schoolyards, and city streets of communities throughout the United States. Over 80 percent of the world's supply of cocaine is grown, processed, or transported through Colombia. The U.S. Drug Enforcement Agency estimates that up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia—although Colombia produces less than 3 percent of the world's heroin. The U.S., therefore, has a vital interest in supporting the Colombian government's comprehensive strategy to halt the spread of illegal drugs, promote human rights, advance the peace process, and increase trade and investment.

Colombia's national sovereignty is increasingly threatened by well-armed and ruthless guerrillas, paramilitaries and the narcotrafficking interests which are inextricably linked. Although the Government is not directly at risk, these threats are slowly eroding the authority of the central government and depriving it of the ability to govern in outlying areas. It is in these lawless areas, where the guerrilla groups, paramilitaries and narcotics traffickers flourish, that the narcotics industry is finding refuge. As a result, large swathes of Colombia are in danger of being narco-districts for the production, transportation, processing and marketing of these substances.

These links between narcotics trafficking and the guerrilla and paramilitary movements are well documented. Profits from illegal activities, combined with a weakened economy and high unemployment, have enabled the PARC, in particular, to grow rapidly in terms of manpower. We estimate that the PARC now has 10,000–15,000 active members, the ELN around 5,000, and that there are an estimated 3–5,000 paramilitary members. They all participate in this narcotics connection. Much of the recruiting success occurs in marginalized rural areas where the groups can offer salaries much higher than those paid by legitimate employers. Estimates of guerrilla income from narcotics trafficking and other illicit activities, such as kidnapping and extortion, are unreliable, but clearly exceed \$100 million a year, and could be far greater. Of this, we estimate some 30–40% comes directly from the drug trade. Paramilitary groups also have clear ties to important narcotics traffickers, and paramilitary leaders have even publicly admitted their participation in the drug trade.

President Clinton and Secretary Albright have recently reiterated the high priority we place on helping Colombia's democracy, as it faces these interrelated challenges of narcotics, guerrillas, paramilitaries, and poverty. The U.S. is working closely with the Pastrana Administration to support his efforts to initiate a peace process, to broaden counternarcotics activities, to foster economic growth and development, and to protect internally displaced persons. We have expanded our assistance to Colombia to over \$300 million in FY99, making Colombia the largest recipient of U.S. counternarcotics aid in the world.

#### *Plan Colombia*

The Government of Colombia (GOC) has developed a strategic approach to its national challenges. The "Plan Colombia—Plan for Peace, Prosperity, and Strengthening of the State" is a major step in the right direction. The Plan is an ambitious, but realistic, package of mutually reinforcing policies to revive Colombia's battered economy, to strengthen the democratic pillars of the society, to promote the peace process and to eliminate "sanctuaries" for narcotics producers and traffickers. The

strategy combines existing GOC policies with new initiatives to forge an integrated approach to resolving Colombia's most pressing national challenges.

We consulted closely on the "building blocks," which make up the plan, with Colombian leaders and senior officials. But the plan was formulated, drafted and approved in Colombia by President Pastrana and his team. Without its Colombian origins and its Colombian stamp, it would not have the support and commitment of Colombia behind it needed for it to have a serious chance of success.

The USG shares the GOC's assessment that an integrated, comprehensive approach to Colombia's interlocking challenges holds the best promise of success. For example, counternarcotics efforts will be most effective when combined with rigorous GOC law enforcement/military cooperation, complementary alternative development programs and measures to assure human rights accountability. Similarly, promoting respect for the rule of law is just as essential for attracting foreign investors as it is for securing a durable peace agreement.

Plan Colombia covers five critical themes: economic policy; the judicial system; counternarcotics; democratization, human rights, and social development; and the peace process.

#### *Economic Policy*

The Colombian economy, historically a strong performer, is in the midst of its worst recession since 1931 due to the emerging markets fallout, longstanding fiscal problems, and now mounting losses in the country's financial sector. The economy contracted 5.8 percent in the first quarter of 1999 and GDP is forecast to drop by 3–4 percent this year. Unemployment is currently at almost 20 percent. To deal with this downturn, the GOC is proposing reforms that will stabilize the banking sector and correct fiscal imbalances, promote trade and foreign investment, renew preferential trade agreements with the U.S., and target government assistance to those most hurt by the stabilization measures.

The Colombian Government has been working closely with the International Monetary Fund on an agreement to obtain resources needed to support the Government's tough economic adjustment. Over the next three years the IMF will provide \$2.7 billion for balance of payments support, and other IFIs will provide \$4.2 billion to Colombia. In a recent step, the Colombian Government announced it would abandon its exchange rate band, a step many economists had recommended, and float its currency.

#### *Judicial System*

Colombia's weak and unresponsive judicial system has all too often prompted many Colombians to take the law into their own hands, with tragic results. The GOC proposes reforming the judicial sector to make it fair, accessible, independent and effective. Working with the Colombian legislative and judicial branches, the GOC proposes to strengthen the GOC's investigatory/prosecutorial capabilities, to undertake vigorous enforcement against corruption, and to increase training in human rights issues, thereby reducing levels of violence and strengthening the rule of law. Adoption of an accusatorial process in place of an interrogatory trial process will help in the reform of the Colombian judiciary and in ensuring more effective capabilities in Colombia in this critical area.

#### *Counternarcotics*

To deal with counternarcotics issues, the GOC's strategy seeks to prosecute and incarcerate individuals and organizations associated with the drug trade, to dismantle trafficking organizations, to neutralize the drug trade's financial system, to introduce an effective air interdiction system, and to create a strong disincentive for drug crop production through eradication and law enforcement. In all of these objectives, the GOC intends to mesh its national initiatives with international efforts. The GOC envisions closer counternarcotics collaboration between its national police and select carefully vetted units of the Colombian military against heavily armed guerrillas and paramilitaries. The GOC also believes that breaking the nexus between Colombia's guerrilla groups and narcotraffickers, particularly in southern Colombia, is key to significant progress in its efforts to bring peace to the country, reduce narcotrafficking, and deny a major source of funding to guerrillas and paramilitaries.

The USG is involved with the government of Colombia on a wide range of programs in support of our counternarcotics strategy. The U.S. policy of aiding aggressive Colombian eradication efforts has largely controlled the coca crop in the Guaviare region and is beginning to make inroads in Caqueta. The gains made, however, have been more than offset by the explosive growth in the coca crop in Putumayo, and in Norte de Santander. Putumayo is an area that remains beyond the reach of the government's coca eradication operations. Strong guerrilla presence

and weak state authority have contributed to the dire situation in the Putumayo. The Government of Colombia plans to launch a comprehensive step-by-step effort there to counter the coca explosion, including eradication, interdiction, and alternative development over the next several years.

In the Pastrana Administration, the U.S. has a full and committed partner that shares our counternarcotics goals in Colombia and is dedicated to complete cooperation on the full range of counternarcotics efforts. The Colombian Army has greatly expanded cooperation with and support for the Colombian National Police, and has formed a brand new, fully vetted counternarcotics battalion, specifically designed to work directly with CNP on counternarcotics missions. The Colombian Air Force has increased air interdiction, combat air support and intelligence support to the counter-drug effort. We also believe the Colombian Marine Corps' riverine interdiction contribution, which has led to seizures along Colombia's extensive river system, merits positive attention. Cooperation with the Colombian military on counternarcotics operations has never been better.

The GOC has a large inventory of seized narco-trafficker farms and ranches which could be used to resettle coca farmers from remote areas where alternative crops would not be feasible due to land conditions. Legal and security issues have inhibited this. However, the GOC is reviewing the possibility of establishing a pilot program of transferring the land to coca growers with appropriate safeguards.

We have also strongly supported the efforts of the Pastrana Administration to advance the protection of human rights and to prosecute those who abuse them. Complicity by elements of Colombia's security forces with the right wing militia groups remains a serious problem, although the GOC has taken important steps in holding senior military and police officials accountable for participation in human rights violations. Since assuming office in August of 1998, President Pastrana has demonstrated his Government's commitment to protecting human rights by cashiering a number of senior and mid-level officers for complicity with paramilitary groups. Three generals have been dismissed; most recently Brigadier General Bravo for his failure to take measures to prevent right wing militia massacres that occurred in La Gabarra and Tibu in late August of 1999.

The GOC has also made reforms in its military courts. In 1997, the Constitutional Court directed the military judicial system to relinquish to the civilian judiciary the investigation and prosecution of grave human rights violations and other alleged crimes not directly related to acts of service. In the last two years, civilian courts have convicted 240 members of the armed forces and police of human rights violations.

The Pastrana Government has also begun a program to ensure the physical safety of human rights defenders. Much more remains to be done, but we believe the Pastrana Administration is sincere in its commitment to improving the human rights situation in Colombia.

U.S. assistance to Colombian military and police forces is provided strictly in accordance with Section 568 of the FY99 Foreign Operations Appropriations Act (the so-called Leahy Amendment) and Section 8130 of the FY99 Defense Appropriations Act. All military units of the Colombian security forces which receive counternarcotics assistance are carefully vetted by the Embassy and the Department of State. No USG assistance is provided to those military units for whom we have credible evidence of the commission of gross human rights violations, unless the GOC has taken adequate steps to bring those responsible to justice. There are strict procedures in place to verify that individuals and units proposed for USG assistance and training have not been involved in human rights abuses.

#### *Democratization and Social Reform*

The GOC recognizes that it can regain the confidence of its citizens only by strengthening its democratic and social institutions, particularly those that assist Colombian victims of the country's violence and drug trade. Accordingly, the GOC is proposing measures to promote respect for human rights, to assist those displaced by civil strife, to implement alternative development programs, to combat corruption, to strengthen local governments and the role of civil society, and to provide sustainable development assistance to areas torn by conflict. The Government acknowledges the urgent need to improve physical security and protection for human rights workers and the NGOs to which they belong. Currently, the GOC has dedicated \$5.6 million to provide physical protection to approximately 80 human rights activists and their offices. The Plan outlines measures to strengthen the Human Rights Ombudsman's office, as well as to establish a Permanent National Commission on Human Rights and International Humanitarian Law.

One of the most serious problems in Colombia, which perhaps does not receive adequate attention, is the plight of its internally displaced persons (IDPs). The scope

of the problem is enormous. The vicious conflict between paramilitaries and guerrillas is largely responsible for the forced displacement of Colombians. As many as 300,000 persons, mostly women and children, were driven from their homes in 1998 by rural violence. NGOs report that Colombia has the fourth largest population of displaced persons in the world. The USG has provided \$2 million in assistance to the internally displaced through the International Committee of the Red Cross (ICRC).

#### *Peace Process*

Colombia's internal conflict, the longest running in the hemisphere, has its roots in the civil strife of the 1950s, and has developed over a nearly 40 year period. The conflict continues to claim the lives of thousands every year and complicates efforts to stem drug trafficking. Resolving this conflict will take time, commitment, and persistence not only by the Government of Colombia and the Colombian people, but by members of the international community committed to helping Colombians bring peace and national reconciliation to Colombia.

President Pastrana has made bringing an end to Colombia's civil strife through a peace agreement with the various insurgent groups a central goal of his Administration. Pastrana believes, and the United States Government agrees, that ending the civil conflict and eliminating all of that conflict's harmful side effects is central to solving Colombia's multifaceted problems. A peace agreement would stabilize the nation, help Colombia's economy to recover and allow for further improvement in the protection of human rights. A successful peace process would also restore Colombian government authority and control in the coca-growing region.

"Peace at any price" is fool's gold. We applaud the Colombian Government's determination to press the guerrillas to cease their practices of kidnapping, forced recruitment of children, and attacks against the civilian population. We have made clear to all parties that the peace process must support and not interfere with counternarcotics cooperation, and that any agreement must permit continued expansion of all aspects of this cooperation.

#### *AMCIT Issues*

The return of David Mankins, Mark Rich and Richard Tenenoff, missionaries from the New Tribes Mission (NTM) organization, who were kidnapped on January 31, 1993, remains a high priority for the U.S. Government. We hold the FARC responsible for this kidnapping and we call again on the FARC to provide a full accounting of the whereabouts and the status of these missionaries.

We repeat our demand that the FARC turn over to the proper authorities those responsible for the brutal and senseless March 4 murder of three U.S. citizen indigenous rights activists. We have demanded a complete investigation by legitimate law enforcement entities. In particular, the investigation needs to identify all those responsible for the murder of the three U.S. activists. We have insisted that the Government of Venezuela and the Government of Colombia identify and prosecute those individuals responsible for this heinous crime. Both governments have been receptive to our requests and are pursuing efforts to bring those responsible to justice.

Regarding State Department contacts with the FARC, let me remind you that we initiated those contacts at the request of the Pastrana government in order to promote a peace process we all support, and to press directly the FARC for an accounting of three NTM missionaries. After the tragic killings of the three Americans we immediately suspended those contacts, and they remain suspended today.

#### *USG Assistance*

During my recent trip to Colombia, President Pastrana requested USG collaboration in Colombia's effort to further refine a comprehensive strategy to address the inter-related problems that confront Colombia. In response to that request, we worked closely with the GOC as it formulated its comprehensive strategy. The GOC graciously shared a draft of their strategy, which we reviewed to ascertain how the USG can best help President Pastrana and the Colombian people implement the strategy.

The GOC will fund the bulk of the \$7.5 billion strategy, but seeks supplementary support of up to \$3.5 billion from the international community. The U.S. Government has already been helpful in addressing Colombia's needs. We are reviewing within the Administration Colombia's plan now in order to determine whether and in what additional ways U.S. support is justified. We are discussing how we can use existing authorities and funds to support counternarcotics operations. We are ready to work with the Colombians to assess their strategy and the optimum ways in which the U.S. can assist in the GOC's efforts to resolve its systemic national problems, many of which adversely impact upon U.S. citizens and businesses. We are

also considering how to engage the IFIs, the European Union and other potential donors.

Mr. Chairman, distinguished members, the Administration has been pleased by the bipartisan support from both Houses that share our concern for Colombia's future and our recognition that this is a key moment in which to contribute to a positive course of events. Recent letters from the Administration to the leadership and other key Congressmen have ratified that sense of bipartisan commitment so badly needed if we are to deal with the problems, which Colombia poses for us and our people. Concerted action now could help over time to stem the illicit narcotics flow to the United States. Action now can contribute to a peaceful resolution of a half-century of conflict. Action now could return Colombia to its rightful historical place as one of the hemisphere's strongest democracies.

Senator COVERDELL. Thank you, Mr. Secretary. Again, I would just note, there will be votes beginning at 12:15, so I think both the panelists could expect that we will adjourn in 30 to 40 minutes here.

I am going to come back to the Senator from Wisconsin, who had wanted to pose a question to Secretary Pickering, and then I will come to the Senator from Ohio.

Senator FEINGOLD. Thank you very much, Mr. Chairman. I just have a couple of brief questions, and I appreciate your courtesy.

Thank you, Secretary Pickering, for mentioning the instances that had such a tragic result for a number of people, including Wisconsinites.

It is my understanding that some of constituents and perhaps other friends and family members of the three Americans murdered in Colombia earlier this year want to attend any trial for those charged with those terrible crimes.

Is it your view that we will ever get to a trial on this? You have already alluded to the contacts with FARC. Are they likely to turn over those responsible for the murders, and would it be possible for friends and family of the victims to attend such a trial?

Secretary PICKERING. I think the second question is easier to answer than the first. On the other hand, the second question does not arise if there is not an answer to the first.

Let me just say this. As General McCaffrey outlined for you as we went into this part of the hearing, there is a large part of Colombia which remains in the hands of people other than the government, and obviously, the guerrilla organizations have not shown, if I could put it this way, a large propensity either to punish their own people effectively, you know they named some people who are involved, and then wrap them on the knuckles, or to turn them over to the government for justice.

It is certainly my hope that any peace agreement will deal with these questions, as it has done in other countries in the world where we have this kind of conflict, but I do not know, frankly, whether that is going to be possible. I wish it were. We will continue to push the Colombians in that direction. It is our policy that justice be done in this case, and we will try to pursue all leads.

Obviously, our writ does not run in Colombia. If they are brought to justice, I believe, given our close relationship with the governments down there, that we can assure that people who wish to attend the trial will have an opportunity to do so, unless there is some in-camera proceeding, which I would not expect.

Senator FEINGOLD. Thank you. I just have one other question for you. A recent GAO report suggests that only three of six army bri-

gades operating in major drug trafficking areas have passed screening procedures that are required by U.S. legislation to ensure that U.S. aid will not be used to fund military thugs.

In light of increased U.S. assistance in counter-narcotics operations with the Colombian military, how can we be assured that U.S. aid is not funding human rights violators, and to your knowledge, does the lack of screening in these incidents constitute a violation of U.S. law?

Secretary PICKERING. Lack of screening does not. What we had decided some time ago, and we will have to keep under review, is that given the seriousness and depth of the problem in southern Colombia, we would work geographically to focus our efforts on the counter-narcotic problem, which General McCaffrey explained, which you saw so lucidly in the charts, and that we would, therefore, screen units and focus their efforts in that region.

We believe the fact that three that have not passed should also be complemented by the fact that three have.

However, as I said in my remarks, we will not train and assist Colombian units that already are existing that have any record of human rights violations, or individuals to make up new units, including new counter-narcotic battalions, one of which has already been stood up and vetted, who do not pass the vetting test, and that is, I think, the best help and hope we have of assuring that your dictum and our policy are one in the same, and are accomplished, and that even though there may be a lapse in the Leahy amendment for technical reasons, we intend to continue to keep that amendment as the cornerstone of our policy in vetting units in our assistance programs to the Colombian military.

Senator FEINGOLD. Thanks to both of you. Thank you, Mr. Chairman.

Senator COVERDELL. Thanks, Senator from Wisconsin. I now turn to Senator DeWine, of Ohio.

Senator DEWINE. Thank you, Mr. Chairman. This question is directed to you, General, but also to you, Mr. Secretary, if you would like to comment about it.

General, you talked about the forward operating locations, specifically, the one at Manta, in Ecuador. Let me just state that I agree with the chairman of the full committee, this is very important.

We need to fund it. We need to get it done. We need to move on. Your comments are very timely, however. As you know, this matter is still a contentious issue. This has not been resolved by this Congress.

What I would like to do is to ask you a couple of related questions to that, maybe to clarify exactly why we need to do this. One of the criticisms has been that we are still negotiating. We do not have an agreement, for example, with Ecuador.

The second criticism is, even if we get an agreement, it may not be a long-term commitment, so why should we be pouring millions and millions of dollars into someone else's property, when we do not have any long-term commitment that we are going to be able to stay there.

The third question I would like for you to address, General, is exactly what can we do there now without this money, and what

can we not do there now. In other words, what difference will it make, and how will it ultimately impact our ability to deal with the drug problem in the region.

General MCCAFFREY. Howard was ideal. It was in the right geo-strategic spot. It had 2,000 airmen. It was 7 days a week, 24 hours a day. We had our tankers there. We had the AWAC's there. As you know, the AWAC's have very special requirements on runway strength and length. It was our logistics hub.

It closed on 1 May, and we took an immediate decrease ostensibly of 50 percent. I think, in fact, that is just in the air interdiction piece of it, protection and monitoring piece of it. In fact, we lost a lot more.

We got temporary access to Manta, Curacao, and Aruba, thankfully. We still lack a Central American FOL, which we have to sort out where it might be, and how do we operate out in the Eastern Pacific from a Central American FOL. But turning specifically to the three that are on the table, right now we are doing a lot. We do have a lay-down of—at Manta, Ecuador, we have been in there with Customs assets, U.S. Navy, and U.S. Air Force.

Manta is key, not only out in the Eastern Pacific. That is the only way you can fly down into Peru, is to get down into that area. But unfortunately, Manta has very little added. The runway was heavily damaged by a storm years ago. It had an instant upgrade for our temporary operations, but you cannot fly AWAC's or tankers out of there.

Senator COVERDELL. You cannot fly AWAC's.

General MCCAFFREY. Cannot.

Senator COVERDELL. You cannot fly tankers.

General MCCAFFREY. The only AWAC's aircraft operating in the region right now flies out of McDill Air Force Base in northern Florida, which is thousands of miles from the area. So we are flying those missions really in the Caribbean transit zone.

Senator COVERDELL. Horribly inefficient, terribly expensive, and you are not getting the coverage.

General MCCAFFREY. Right. So we have to do something about it. We do have Air National Guard F-16's flying out of Curacao. We have an excellent Customs operation going out of Aruba. So we are still engaged, but we have to solve the problem.

I would say that the CINC's viewpoints are pretty strong. If we do not give him the assets, he cannot defend the country. He needs \$42 million to invest this year in those three FOL's. Ambassador Brown, at State, is negotiating all three of these access agreements. They are moving in the right direction. We will not invest in those FOL's, if we do not have the kind of agreement we can live with.

Clearly, we do need long-term access, but there was a momentary hiccup, and I do not—

Senator COVERDELL. Excuse me. There is nothing to stop Congress from qualifying the money. It is based upon the final agreement.

General MCCAFFREY. Sure.

Senator COVERDELL. There is standard operating procedure here.



General MCCAFFREY. We have a lot of confidence that the Secretary of Defense and the CINC U.S. Southern Command will not put money into the ground.

Senator COVERDELL. Talk to me, though, about the long-term ability to stay there, I mean related to that, but you can get an agreement that was a short-term agreement.

General MCCAFFREY. Well, I flew into all three of those FOL's, and spent some time. I went to Ecuador, talked to the President, talked to their legislatures, talked to the Foreign Minister, Defense Minister, et cetera. I flew up to Manta, had the town's leadership, city leadership come talk to me. They clearly want us at Manta.

We have to sort out the legalities of it, we have to be careful to respect their sovereignty concerns, but this will not be a U.S. Air Force base.

This will be a temporary operating location, with a pretty minimal presence of 15 people, on up to a couple of hundred, max of probably a dozen aircraft on the ground, and they do want us there, and it is in the right place, and it is safe.

Senator COVERDELL. Can you briefly comment about Central America? You mentioned the need to have a location in Central America. Where is that?

General MCCAFFREY. Well, the CINC came up with a plan. Originally, it had talked about three locations, and he really did it based on the flying range of the P-3, unrefueled, and the AWAC's, and where can we set down.

The obvious one was Manta, Ecuador, and that is the central part, and then Curacao and Aruba, by the way—we are better off in Curacao and Aruba than we were at Howard Air Force Base in Panama. We got the right angle "T" on drug flights coming out of Colombia.

What is missing now is how do we cover this vast expanse of the Eastern Pacific, and not just with air interdiction, but air-sea surveillance, Navy P-3's. We have to be somewhere in Central America to do that, and Soto Cano, Honduras, unfortunately, the air field is too high an altitude and too restricted a bowl to get heavily fueled aircraft to fly out of there.

Now, we are involved in some sort of sensitive discussions, which I think are moving in the right direction.

Senator COVERDELL. I want to augment the question. I recently had a discussion with President-elect Moscoso, I will begin with Secretary Pickering, and I cannot enumerate, there must have been six members of her cabinet-to-be, including the Foreign Minister, and several members of Congress, and the question of, this meddlesome question that has gone on now for several years about continued use of Howard or some other facility, and they were enthusiastic in terms of wanting to facilitate particularly the anti-drug nature of the relationship, and were adamant that we needed to be specific about the continued use of Howard or some other facility about what it was that we wanted to accomplish and do.

Now, the discussion evolved around the broader responsibility that the United States and Panama had in the context of drug interdiction, a long-standing relationship, the geography of Panama, et cetera.

The point is, they were genuinely enthusiastic, and they were asking for a specific response. Now, just in the broadest terms, when I get back here, people here are saying they cannot do that politically, or something.

It seems to me that if the President-elect is asking for something specific, we ought to respond specifically, and if they cannot react, they cannot react. But it is just sort of hanging out here in a nebulous form, it gets right at the question that the Senator from Ohio is addressing to you, in terms of particularly the period of time when you may be trying to get a longer term commitment in Ecuador. Would you want to respond to that?

Secretary PICKERING. I would, only to say this, that we are pleased and delighted, because we have had some of the same messages passed to us by people who have been in touch with President-elect Moscoso.

I think we are going to be in touch with her fairly soon on this set of issues, and I think along with other conversations we are having, and I think General McCaffrey and I would clearly refuse to identify the locations, because we want to protect our ability to move with those countries in an atmosphere free of what I would call domestic political influence to the greatest extent possible, because it is always easier to work it out, and let those countries figure out and in what way they are going to deal with their own publics on the question.

The important issue is, this is the single most important subject we have to deal with in that region right now, our joint efforts to deal with narcotics interdiction, that the question of forward operations locations is right up there on that set of questions, and it relates to Colombia, it relates to a wide range of activities, and it relates to the effectiveness of our interdiction over a long period of time.

So we are serious about it. We are not foreclosing any options, but those options have to be open to us clearly by the country concerned, and we take very seriously what we have been hearing about Panama. Obviously, when a President-elect becomes a President, you have more capacity to deal with the problem as the process unfolds.

Senator COVERDELL. General McCaffrey.

General MCCAFFREY. We have been watching this very closely, and, of course, a lot of us worked with Panama for years and years now. It is a terrible loss to all of us in the region, to have been forced to withdraw and not have a continuing counterdrug presence there.

The United States had options, but the region wanted us engaged. So we are moving to our options, and I think it is right. President Biadars and his regime did not negotiate with us, in my judgment, in good faith, but that is behind us, and we are aggressively moving to establish these FOL's.

We do have a serious presence operating out of Roosevelt Roads Naval Air Station, which is where a lot of our materials are now assembled, and we are able to operate out of U.S. bases in Soto Cano.

Panama has had a confused dialog with us since then, and I think many of us want to make sure that we treat Mrs. Moscoso

with great deference until she is clearly established in office, and has sorted out Panamanian thinking, but the initial dialog I get is that she is looking for non-military forward operation locations only, law enforcement only, and that is why I think we need to let them sort out their thinking.

We cannot do detection and monitoring without the U.S. Air Force and the U.S. Navy, and to some extent, U.S. Army aircraft.

Senator COVERDELL. I will close, and turn this back to—in my conversation, explicitly, they requested specific details about what we wanted to do, and the line of demarcation that you are drawing, General, was not a part of that extended conversation.

I am not saying that it will not ultimately be, but it was not in that conversation, and they were saying, tell us. It was almost an exasperation that we would not enumerate, and who knows. I understand the President-elect status versus actually assuming authority.

Secretary PICKERING. She is in office now.

General MCCAFFREY. She is in office now, and I, without taking it further into detail, I do not think the problem as raised is one that we cannot overcome.

Senator COVERDELL. OK. Senator DeWine.

Senator DEWINE. Can overcome?

General MCCAFFREY. I do not think it is one that we cannot overcome. It is obviously one, I hope, we can overcome.

Senator DEWINE. OK. Good. I think your point is very well taken, that both of you made, that we need an integrated, comprehensive, and a multi-year commitment. I mean we have to, as a country, be willing to say on a bipartisan basis, this is a long-term commitment, that we are there to assist Colombia, and the elected leaders, and the democracy of Colombia. I think your point is very well taken.

If there is every going to be peace negotiations, I think two things have to happen. One is, the military is going to have to be stronger, and it is going to have to be able to get more things done, and the second is, the rebels are going to have to have a belief that they are going to deal with the international community, they are going to have to deal with the United States, and they are going to have to deal with their own government over a long, long period of time, that we are not going to go away.

I think part of our problem that we have all discussed, and not just in this area, but in our domestic battle against drugs, is that being Americans, we sort of think we can get in and get it done in a short period of time, and we all know, General, you and I have had this discussion innumerable times, we all know that this is a long-term process, and that we have to stay in there.

I think the message that this Congress and this administration need to send is, it is bipartisan, and we are in it for a long-term commitment, and we will make up that long-term commitment.

I want to just make sure I understand where we are in the discussions between Congress and the administration. Senator Coverdell and I have put forward a proposal. It is a work in progress. It has been introduced, but we are certainly open to discussion.

General, you submitted this summer a draft internally inside the administration. You have given us today, I believe you have given

us today, I have not seen it, but a document that is basically a Colombian document, the Colombian initiative, as far as what they want to do. It is my understanding that that was with some consultation with the administration.

Where does that leave us now, as far as the administration's official position? I mean what else has to happen? Does this "Colombian document" become your document, and we can begin the dialog back and forth, or are we awaiting an additional document internally to come out of the administration?

I am a little confused where we are, and I just think it is so important, Mr. Chairman, that we become engaged even further, and we move slower. We are in a crisis. We are in a very, very serious situation, and we have to move.

Secretary PICKERING. Without submerging it in a lot of bureaucracy, we got the final plan when President Pastrana was here in town on the twenty-second. It is now being reviewed from the perspective of the Colombian plan. Colombians have also committed to give us the details of their own funding, so we know where that is going. That is not irrelevant, obviously, in the process of examining what we do.

But at issue to that, we are taking a look at where the international financial institutions are putting their particular funding, and reviewing the question of whether we think there is a real possibility. Europeans and others will also be able to pick up a piece of this plan.

This is all the predicate, obviously, for us taking a look at what our own response will be. We are engaged actively in reviewing it inside the U.S. Government. When we have finished that review, then I believe it is incumbent upon us to come back to all of you, in the context of your proposal, which, as I said, I think is the right sort of framework for putting the issues out, and we should give you a sense of how our detail and your detail fit together on that particular issue.

I hope we do that as soon as we can. Obviously, we know, as I said earlier, it is about the time when you leave town, and we cannot have a bipartisan commitment to a plan if, in fact, both branches of government and both parties are not in town working on it.

General MCCAFFREY. Let me, if I may—

Senator COVERDELL. Sure.

General MCCAFFREY [continuing]. Just tell you. I think many of us are pleased with the rate at which this discussion has advanced. There is a serious concern by Mr. Berger, by the Secretary of State, and I, in particular, and although we understand the realities of the OMB process, we have gone through a careful consideration of U.S. viewpoints, we have worked, not peripherally, but in a very fundamental way with the Colombian Government to establish their own thinking.

They will be up again this week, on Friday, their Secretary of Defense, the commanding General of the Armed Forces, General Serrano, to continue this consultation, and we are focused on it.

Now, the problem will be, we have to make sure that when we send you a proposal that it is affordable and it is long-term, but I think we can commit to you that by the fall we will be back here.

Now, in addition, I will go to Europe in October to Lisbon, Portugal, and we will have a conference of drug policy directors from the EU nations, and this will be one of the topics on the agenda. How do we stand behind Colombian, Peruvian, and Bolivian attempts to generate European support for something that is in their interest, also.

A lot of this cocaine, it is not coming to America, it is going to Spain and The Netherlands, and then being distributed throughout Europe. So we are hopeful to get their continued and even enhanced cooperation.

Senator DEWINE. Well, I appreciate your comments very much, and appreciate your movement. I would just encourage the administration to come forward with your plan as soon as possible. I think we pretty much know where we are going. We all know what the problem is. The problem boils down to money. We are late in the year. Where any money will come from is a very, very tough question that we all face.

I think if it were up to Senator Coverdell and me, and probably the two of you, we would not have a money problem, but there are other concerns here on Capitol Hill. So I think the sooner that you can get us a plan, that is just very helpful, and we are moving ahead.

As I said, as you know, Senator Coverdell and I have introduced our bill, because we really want to get that discussion out there, and want to move forward. Thank you, Mr. Chairman.

Senator COVERDELL. Thanks, Senator. I will be brief, and we will keep this on schedule. One suggestion, I made it in my remarks, but perhaps it was not noted, that I think it is very defensible to talk of the current situation as an emergency. Long-term, it becomes less so. I think you have a bifurcated funding process that we need to think through here. I am sure that will be part of the—

Senator DEWINE. Can I just add—let me be even a little more blunt.

Senator COVERDELL. OK.

Senator DEWINE. When you submit your budget next year, you need to weigh in heavy with this. This cannot come in after the fact, and I know I am preaching to the choir with the two of you, but I am willing to talk with other people in the administration, and I am not expecting a comment from either one of you, but—

General MCCAFFREY. Well, I would add one comment. If we do not do something dramatic, we will have \$79 million on the table in the next budget. So we have it.

Senator DEWINE. OK.

General MCCAFFREY [continuing]. And this country is in a very serious position, at least from the drug production perspective.

Senator COVERDELL. I want to expand the emergency to this economic question. I felt the President had not yet made, and they were very fruitful discussions, but I did not think he had fully tied his economic crisis to the security crisis.

They have been weathering this over a long period of time, that there is a change, and long-term capital is going to run from this situation. So without a clear decision with regard to security interests, I do not think you can get to some of this balance that we

have heard all these members talk about. It becomes increasingly imbalanced, in terms of the scope where the crisis is.

You can—it does not—try to find a place to go where it is all at risk, and you could really tell that in meeting with business interests more recently. There has been a change, and it is reflective of this crisis, the peace process.

There has been some extended criticism in Colombia and without. I personally believe it is tied to, and it was a policy that President Pastrana had to pursue, connected to the campaign that he waged, but it is, I think, even to the less skilled in military affairs. It did become a consolidation period for the insurgency.

What is your feeling of—you mentioned, Secretary Pickering, I cannot quote it exactly, but basically a realistic view. I mean if the other side is not negotiating with you, and is using it to your disadvantage at some point, that is a failed policy.

I would be interested in both your comments with regard to not so much how we got into it, but where we are with this process, and how much of a piece does that remain of the plan.

Secretary PICKERING. Let me say this. If we are looking at the process long-term, no peace process in my historical experience, has ever worked over the long-term, where it is not clearly seen that all of the other alternatives are worse, and it, therefore, has to have in it, in the negotiating process, what I would call a combination of inducements and punishments, carrots and sticks, to make it work.

If it is an all-carrot process, and some have criticized President Pastrana for going into an all-carrot process, and I think he himself understands some of the limitations of that, that is not going to work. It is going to work against you.

If it is an all-stick process, it may work, it may not work, but it has to have an end goal that, whoever you are involved with believes at least is an acceptable end goal, and the end goal is the assassination and murder, which, unfortunately, has been the end goal of some of the peace processes in the past in Colombia, and that has to be avoided.

On the other hand, the end goal is not taking over the country by the guerrillas, the end goal, as I have seen it, and as he has seen it, has been the kind of political space that has allowed people in Central America to have a successful peace process, where people become political parties and operate in a democratic system. Now, that sounds millennial, but in some places it actually has a tendency to work. So this is where we are.

It is very important that this is integrated, because what you do on counter-narcotics strategy, in dealing with the insurgent sources of money, as well as some of their physical strength, which is centralized now in some of these regions, we will have an important role on how they view their long-term future in that country. They cannot help but have it.

Similarly, if you do not take care of the economic circumstances, and they produce additional recruits for guerrilla forces or for paramilitaries, then, in fact, you are working against yourself. So this is a combination of problems that is not easily dissected.

As General McCaffrey had said earlier, if we are merely addressing this problem in the context of a military equipment list, we are

not addressing the right set of issues. If we are addressing it only on the peace process, we are not addressing the right set of issues. If we are addressing it only as banking reform, we are not there.

So the critical component of all of this is the one that you and we keep telling each other is the right set of components. Multi-year, integrated, comprehensive, all of those words, all of those adjectives, I think properly describe at least the best judgment we have now of what can work.

I believe President Pastrana understands that. I think he understands the commitment. He may not see all the linkages as clearly as they are. He may not see each piece in terms of his evaluation of each one the same way we do, but the important point is that he and his people, and he has a very good team, have produced an impressive strategy.

I finally would say that no strategy is ever sufficient, even to the day in which it is rolled out. It constantly needs to be updated and changed, and he understands that, so this is a dynamic plan. That does not mean we do not go to another strategy tomorrow. It means that the integration of the strategy, its perfection, the operational plans that have to be carried out all are part of an ongoing dynamic process. They do not get frozen in time.

General MCCAFFREY. Senator, I wonder if I could add one point to yours. I had several hours with the Colombia Chamber of Commerce, a very useful session, small discussions, and a larger interchange, and I think it is important that all of us recognize the linkage between the lack of security, coca production, the hundreds of millions of dollars flowing into the FARC, ELN, and the economic crisis, 5 percent reduction in GDP, 20 percent unemployment. When I talked to Colombian businessmen, they have told me they imported 8 million tons of food last year, this giant rich agricultural nation.

They told me that possibly in the coming year or so, they will be a net importer of energy, with these enormous reserves of gas and petroleum, with the ELN, and this mindless process of destruction, blowing up the pipelines, and driving off oil exploration teams.

These are all linked, clearly. And at the heart and soul of it. If it was just a normal murder, extortion, bank robbery, and kidnaping, Colombia would merely be a violent nation, but when you add in hundreds of millions of dollars, you get automatic weapons, helicopters, corruption of the news media, the legislature, corruption in our own country, in the United States. It is an order of magnitude that increases the threat.

So at the heart and soul of it I have argued, you have to separate the drug money from the FARC, the ELN, and the paramilitaries, or we cannot get there.

Senator COVERDELL. On that point, I am going to adjourn in deference to the vote and your schedules, but we may—another question to you, Secretary Pickering, that we will put in writing, but to give you a sense of it, I know there has been a hangup on what the international observers of the peace process have—it is puzzling to me, and I have not had that sorted out, and maybe you could shed your light on it.

[Responses of Secretary Pickering to additional questions follow:]

RESPONSES OF HON. THOMAS R. PICKERING TO ADDITIONAL QUESTIONS FOR THE  
RECORD BY SENATOR PAUL COVERDELL

*Question 1.* Please comment on the efforts of the international community to promote peace and stability in Colombia—especially the efforts of our Latin American and European allies.

Answer. The European Community has been generally very supportive of the Colombian peace process. The Europeans have been particularly helpful in contributing to human rights and humanitarian efforts, through church groups, nongovernmental organizations and especially through the International Committee of the Red Cross (ICRC) for work with displaced persons.

The Latin Americans, as neighbors and allies, have been more proactive in the peace process. Neighboring countries have shown support and have offered assistance to President Pastrana and the Government of Colombia. All have expressed their support of the peace process and have encouraged all parties to the conflict to negotiate in good faith. The Organization of American States (OAS), on June 8, 1999 adopted a resolution declaring its “resolute and unconditional support for the peace-building endeavors of the Government of Colombia.” Latin American countries in the region have also shown cooperation, particularly on border issues, in helping to deal with security issues.

*Question 2.* What steps has the United States taken to encourage our allies in their efforts to promote a peaceful end to the conflict? Are there currently international observers of the ongoing peace process? How would you characterize their role?

Answer. The U.S. has actively encouraged both Europe and Latin America to cooperate with the GOC and to coordinate any efforts with the Colombian Government. We have shared our experiences with the GOC on how the international community could help in support of the peace process. One example could be the formation of a “Group of Friends,” neighboring countries who support and facilitate the peace process. This has proved beneficial in other peace processes, such as in Guatemala. It should be noted, however, that the FARC has steadfastly refused any international involvement in the peace process, and GOC efforts to promote an international component to the peace process have been rebuffed.

Currently there are no international observers of the peace process, despite several proposals by the GOC to include international monitors in the talks themselves, or to monitor abuse of authority or persons in the demilitarized zone. We believe international observers could be helpful and other peace processes have shown them to be invaluable. The FARC refusal, however, makes the prospect for international involvement remote at this time.

Senator COVERDELL. To you, General McCaffrey, President Pastrana repeated often the fact that they could not track and had no sense of the flow of these moneys, and I wonder, can we be helpful in this arena? They have no feeling for where these vast sums of money are moving, and who is housing them offshore, or in the country, whatever.

I do not know if you have any information that could help on that situation, but it ought to be part of our thinking, in terms of the plan of helping them, because as you just said, you have to separate that financial interest, if we are ever going to get to the bottom of this.

[Responses of General McCaffrey to additional questions follow:]

RESPONSES OF HON. BARRY McCAFFREY TO ADDITIONAL QUESTIONS FOR THE RECORD  
BY SENATOR PAUL COVERDELL

*Question 1.* President Pastrana has repeated to me the fact that it is extremely difficult to track the flow of money generated by the narco-guerrillas in Colombia. What information do we have pertaining to the quantity of money being generated by the narco-guerrillas in Colombia; how the money leaves the country, if it does; where it is housed off-shore; and how this money is inserted into the legitimate financial system.

Answer. Insurgent and illegal self defense groups are profiting enormously from the drug trade and using drug revenues to finance operations against the democratic government and Colombian citizens. The growth of drug cultivation, produc-



tion, and trafficking has added substantially to the war chests of the guerrilla and paramilitary groups, which protect and/or control various aspects of the drug industry. The immense amounts of money generated by the drug trade are also fueling violence, lawlessness, and Colombia's long internal conflict. Colombian defense experts have estimated that the two major insurgent groups, the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) gain 50 percent or more of their revenues from their involvement in drug trafficking. Estimates vary widely for the amount of money that the two major insurgent groups earn annually from the drug trade—ranging from a low of \$100 million to a high of \$900 million or more. President Pastrana has said publicly that the guerrillas and illegal self defense groups earn \$1 to \$2 million a day. Intelligence community analysts agree with Colombian authorities that the FARC and ELN revenues from the drug trade equal or exceed their other major income sources—kidnapping, extortion, and bank robberies.<sup>1</sup> The FARC and illegal self defense groups earn revenues by controlling coca production, and set the rules for marketing and pricing in their areas of control. In addition, both the guerrillas and the paramilitaries provide protection for activities relating to coca cultivation, drug processing facilities, and clandestine airstrips. Both groups also “tax” the campesinos at each stage of drug cultivation, production, and transport in areas under their control.

*Question 2.* As you know, funding for the tethered aerostat radar system (TARS) program is facing an \$8.8M cut in the DOD appropriations bill. The proposal to reduce the President's budget request could result in the cancellation of the aerostat modernization program and closure of the multiple TARS sites. Please explain the impact of this proposed cut to the counterdrug mission and the National Drug Control Strategy goal of shielding America's frontiers from the drug threat.

Answer. Since the passage of the FY00 Defense Appropriations Act, which included a \$5M reduction in the funds allocated for the TARS program, the Department of Defense has been able to identify alternate funds within the Department to enable the preservation of all eleven operational TARS sites while continuing the aerostat modernization program. These alternate funds have been accessed due to the North American Aerospace Defense Command's (NORAD) recognition of the contribution that the TARS sites make to the Air Force's air sovereignty mission in addition to their counterdrug role. As a result of this collaborative effort within the Department of Defense to maintain this capability, the proposed cut of \$8.8M and the final reduction of \$5M to the TARS program have had little impact on the counterdrug mission and the *National Drug Control Strategy's* goal of shielding America's frontiers from the drug threat.

<sup>1</sup> See for example, “Colombia on the Brink,” by Michael Shifter, *Foreign Affairs*, July/August 1999 and “Colombia's Three Wars: U.S. Strategy at the Crossroads,” a Strategic Studies Institute report, Gabriel Marcella and Donald Schulz, March 5, 1999.

Senator COVERDELL. Thank you both for your long, long service to the country, and I always want to mention that, and I thank you both for the time you have given to the committee here today. We are in adjournment.

[Whereupon, at 12:07 p.m., the hearing was adjourned.]

# APPENDIX

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## PLAN COLOMBIA

### PLAN FOR PEACE, PROSPERITY, AND THE STRENGTHENING OF THE STATE

#### PREFACE

At the threshold of the 21st century, Colombia is faced with the challenge of promoting and consolidating a society in which the essential obligations of the Colombian State are guaranteed, as stated in our Constitution:

“ . . . to serve the community, promote prosperity and guarantee the effectiveness of the principles, rights and duties consecrated in the Constitution; facilitate the participation of the people in the decisions that affect them and in the economic, the political, the administrative and the cultural life of the Nation; defend our national independence, maintain territorial integrity and assure peaceful coexistence and applicability of a just order.”

The responsibility that those of us who from within the government are working on the construction of a better country for current and future generations, is to strengthen and consolidate the Colombian State as a State for Social Rights that can protect all of its residents and their rights to life, dignity, property, beliefs and other basic rights and liberties.

This fundamental process requires confronting now, more than ever, the difficult and ever changing national and international conditions characteristic of the closing days of the second millenium of the Christian era. But, it is not only about assuming the challenge posed by the experiences of our own history and evolving process of the creation of a national state, but it is also responding to the two new challenges of the growth of drug trafficking and the economic, political and cultural “globalization” process.

Undoubtedly, the symptoms of a State that has yet to consolidate, such as the lack of confidence in the ability of the armed forces, the police, and the judicial system to guarantee the preservation of order and security, the crisis in credibility at the different levels of government, and the proliferation of corrupt practices in the public and private sectors, have been aggravated by the enormous destabilizing power of the drug trafficking business, that with its huge economic resources has generated indiscriminate violence along with a degenerative process of values that can only be compared to the Prohibition period in North America.

At the same time, the still young Colombian economy, even though it has seen 40 years of continual growth, has not yet been able to massively incorporate a large part of the national population into the productive processes nor has it been able significantly reduce poverty levels. Meanwhile, the violence and corruption fueled by drug trafficking in generating distrust among foreign investors, constitutes a road-block in the transformation and modernization of the dynamic productive process of the country, considered essential for generating employment and resulting in progress within the framework of globalization.

The secular problems that the Colombian government has until now been unable to successfully solve, have been aggravated and intensified by the drug trafficking business. In addition, in a kind of vicious and pervasive cycle, the violence has leached the resources that the country would need in order to complete the construction of a modern State.

We are aware that to reach our objectives will require a social and governmental process that will take some years, time during which it is essential to reach consensus among the Colombian society, that will facilitate the development of a people who will know and demand its rights but will also be conscientious and abide by its obligations.

That is why my government has committed itself to a fundamental goal: to strengthen the State in order to regain the citizens’ confidence and recuperate the

basic norms of peaceful coexistence. Because the attainment of peace is not only an issue of will. You have to build peace and it will be an outcome of the process of strengthening the State and the consequences resulting in the possibility of guaranteeing all of its citizens, in the entire national territory, their security and the free exercise of their rights and liberties.

The negotiation with the insurgency, that with so much determination and will we have initiated and will continue seeking, is an integral part of our strategy because it intends to resolve 40-year-old historical conflicts that have encountered countless obstacles in the creation of the modern and progressive state that Colombia urgently needs to become. The search for peace and the defense of the democratic institutions will require time and patience, faith and determination to successfully deal with the inherent pressures and doubts that characterize a process of this nature.

The fight against drug trafficking constitutes the core in our strategy to decidedly advance in a partnership between the consumer and producer countries, under the principles of reciprocity and equality. The problem of illicit drugs is clearly a transnational and complex problem characterized by casting a destroying force upon societies due to the physiological, psychological, and social consequences for those who consume, as well as the effects of violence and corruption derived from the immense revenues generated from its smuggling. The solution to the illicit drug problem does not rest in finger-pointing at the consumer or producer countries. The efforts that we make will be insufficient if we do not make them as a part of a true international partnership to confront and resolve this shared problem.

Colombia has already demonstrated its commitment and determination in the search for a definite solution to the drug trafficking phenomenon, as well as to the armed conflict, human rights violations and the destruction of the environment to which drug production is associated. Nevertheless, more than twenty years after the appearance of marijuana and the increase in cultivation and commercialization of cocaine and poppy, the results for Colombia are still negative and adverse regarding its efforts to consolidate a modern state. Drug trafficking has become a destabilizing force, altering the economy, reverting the advances made in the distribution of land, corrupting the society, doubled the violence, negatively affecting the investment climate, and perhaps the most seriously, the harm caused by its contribution of resources to the war apparatus of the armed groups that have been attacking the government.

Our country has been leading the battle against drugs, confronting the drug cartels and their intimidation campaigns and sacrificing many of our best citizens in the process. Up to now, drug trafficking has become a fragmented network, more internationalized, and harder to combat. The world is always trying out new strategies. More resources are being destined for education and prevention. Results are being made regarding the confiscation and expropriation of money and properties obtained from illegal drug trafficking. In Colombia we have launched operations to destroy processing laboratories and distribution networks, we are improving and tightening security and control of our rivers and airspace to ensure interdiction, and we are exploring new formulas to eradicate illegal crops. Factors directly related to drug trafficking like money laundering, illegal smuggling of chemicals, illegal arms trafficking, are also part of a shared problem and must be confronted through out the world, specially where illicit drugs are produced.

The success of our strategy depends, also, on our efforts to reform and modernize our military forces in order to guarantee the application of the law and to return the sense of security to all Colombians, in the totality of the national territory. Strong and dynamic military and police forces and the commitment to peace and the respect for human rights, are an indispensable requirement for the preservation and the consolidation of the state of law. And above all, there is priority to have an effective judicial system that can defend and promote the respect for human rights. We are committed to this cause, convinced that our first obligation as a government is to guarantee those who reside in our country the exercise of their rights and fundamental liberties.

Advancement in the construction of the state also requires reforms at the very heart of the institutions in order to for our political process to be an effective instrument of progress and social justice. If we are going to progress in our objective, we have to reduce the causes and the spurs of violence, by strengthening the social participation and the collective conscience. In order to accomplish this, the strategy includes a specific effort that in a few years will guarantee the entire population access to education and to an adequate health system, with special attention to the most vulnerable groups of the population. Additionally, we want to strengthen the local governments in order to increase their participation, and make them more sensitive and responsible for the needs of their citizens as well as promote the strength-

ening of the citizen participation in efforts against corruption, kidnapping, violence and the displacement of people and communities.

Finally, Colombia requires aid to strengthen its economy and generate employment. Our country needs to improve its access to markets where our products have comparative advantages. The aid of the United States, the European Community and the rest of the members of the international community is vital for the economic development of our country and to counterbalance drug trafficking, in that it will help create alternative legal employment, that will counteract against employment generated by drug trafficking as well as the same armed organizations that feed off it. We are convinced that the first step to reach successful worldwide "globalization" is the "globalization of solidarity." Hence, Colombia asks for aid from its partners. We require programs for alternative development in Colombian rural areas and more accessibility for our legal businesses, so that we can successfully combat the illegal ones.

There are many reasons to be optimistic about the future of Colombia, especially if we find echo among the world community, and in that way together we can create prosperity combined with justice and that way we will be able to pave the way for a lasting peace.

We think, according to the Spanish author Miguel de Unamuno, that "faith is not to believe in the invisible, but rather to create the invisible." With this unfolding faith that we have in our own capacity and with the solidarity and aid of our international partners in the shared fight against the plague of drug trafficking, we are sure that we will create "the invisible." This modern, democratic and peaceful society will go proudly and dignified to participate in the future that is announced with the third millennium.

## PLAN COLOMBIA

### PLAN FOR PEACE, PROSPERITY, AND THE STRENGTHENING OF THE STATE

1. The state seeks to consolidate its institutionalization as "the entity responsible for the public interest," to regain the confidence of its citizens and restore the basic norms of peaceful coexistence. That will provide a solid basis for recovering the national patrimony and ensuring peace and prosperity in Colombia. The government is committed to consolidating the central responsibilities of the state: promoting democracy and the rule of law and the monopoly in the application of justice, territorial integrity, employment, respect for human rights and human dignity and the preservation of order as established by political and social rules.

2. Achieving these objectives requires a process of community and institution building which will take several years, for which it will be indispensable to build a broad consensus in Colombian society. Peace is not simply a matter of will: it has to be built. It arises from the strengthening of the state and from the consequent possibility of guaranteeing to all Colombians security and the exercise of their rights and liberties. Negotiations with insurgent groups seek the resolution of historic conflicts which have undergone a profound change over the years, to greatly facilitate the process of social re-construction.

3. It is central to this strategy to move forward decisively in partnership with the countries which produce and those which consume illegal drugs, under the principles of reciprocity and equality. This partnership should confront the destabilizing power of the drug trade, one of the most profitable activities in the world, and which has not only contributed to the corruption of Colombian society and a diminished business confidence but which also feeds the violence and the armed conflict in Colombia through its financial support to various armed groups, allowing them to acquire economic power and territorial presence.

4. Colombia has been working toward these objectives, dealing with the fight against the drug cartels and the narcoterrorism they unleashed. During the last decades Colombia faced the growth of narco-trafficking and managed to maintain a vigorous economy, without falling prey to the great crises which beset other Latin American countries. Today, Colombia confronts the worst economic crisis in its history, which limits its capacity to resolve its problems at a time in which violence, fed by drug trafficking, continues to increase.

5. By attacking the main factors responsible for the increasing production of illegal crops through a comprehensive strategy, this joint task against drug production and trafficking will in turn ensure that the fight on drugs obtains important positive measurable results, with enormous benefits for both Colombia and the world.

## ELEMENTS OF THE PLAN

1. An economic strategy that generates employment supports the ability of the State to collect tax revenues and allows the country to have a viable counterbalancing economic force to narco-trafficking. The expansion of international commerce, accompanied by enhanced access to foreign markets and free trade agreements that attract foreign and domestic investment, are key to the modernization of our economic base and to job creation. Such a strategy is crucial at a time when Colombia is confronting its worst economic crisis in seventy years, with unemployment reaching 20%, which in turn greatly limits the government's ability to confront drug trafficking and the violence it generates.

2. A fiscal and financial strategy that includes tough austerity and adjustment measures, in order to boost economic activity and recover the historically excellent prestige of Colombia in the international financial markets.

3. A military strategy to restructure and modernize the Colombian Armed Forces and the National Police, to make them more capable to re-establish the rule of law and provide security throughout the country, and in combating organized crime and armed groups.

4. A judicial and human rights strategy to reaffirm the rule of law and assure equal and impartial justice to all Colombians, while pushing ahead with the reforms already initiated among the State security forces to ensure their proper role in defending and respecting the rights and dignity of each and every Colombian.

5. A counter-narcotics strategy, in partnership with other producer and consumer nations, to combat the production and consumption of illegal drugs; and on a national level to allow us to obstruct the flow of millionaire resources from drugs to various insurgent and other armed organizations which is fueling violence.

6. An alternative development strategy that will promote agricultural and other profitable economic activity for small rural farmers and their families. Alternative development will also consider economically feasible environmental protection activities that conserve the forest areas to stop the dangerous expansion of illegal cultivation throughout the Amazon Delta and Colombia's vast natural parks, whose immense biodiversity and environmental importance to the entire globe is incalculable.

7. A democratization and social participation strategy aimed at collective consciousness-raising. This strategy aims at more accountable local governments, community involvement in anti-corruption efforts and in continuing to put pressure on insurgent and other armed groups to end kidnapping, violence and internal displacement of citizens and communities. Also, this strategy will include working with local business and labor groups, in order to adopt newer, more productive models in light of a more globalized economy, and to strengthen our agricultural communities in the face of rural violence.

8. A human development strategy to promote efforts to guarantee, within the next few years, adequate education and health, to provide opportunities to every young Colombian and to help vulnerable groups in our society, including not just those affected and displaced by violence but also those in conditions of extreme poverty.

9. A peace strategy that aims at a negotiated peace agreement with the insurgency on the basis of territorial integrity, democracy and human rights, and which should strengthen the rule of law and the fight against drugs throughout the country.

10. An international strategy to confirm Colombia's leadership in the consolidation of the principles of shared responsibility, integrated action and balanced treatment of the drug issue. The role of the international community is also vital to the success of the peace process provided it conforms to norms established in international law and is requested by the Colombian government.

## I. APPROACH TO COLOMBIAN ECONOMY

## OVERVIEW

1. The Pastrana government has had to contend with a legacy of a very deteriorating economic downturn. Unemployment is at an historic high of almost 20% and GDP has completed the third consecutive quarter of negative growth. Several external shocks (low coffee and other commodity prices, extensive earthquake damage) have exacerbated Colombia's economic weaknesses (rising fiscal deficit since the early 1990's, banking sector problems). The ongoing conflict and the security situation are reinforcing an erosion of confidence in the economy. As employment opportunities continue to disappear due to the recession, more Colombians are pursuing livelihoods in destabilizing narcotics and other illegal activities.

2. The central element in the government's strategy to restore confidence in the Colombian economy through measures that stabilize the economy, including a return to fiscal balance. These measures will lay a basis for sustained growth in private sector trade and investment. Renewed confidence—together with a healthy banking system, stable government finances, improvements in the security situation, increased Colombian exports and measures to improve the investment climate—create an environment in which private sector growth will generate employment for the Colombian people.

3. Given the need for fiscal consolidation, Colombia requires financial assistance to help cover its security and counter-narcotics spending requirements, as well as its pressing social and public investment needs. While narcotics traffickers and rebel groups continue to fund themselves through drug profits, Colombia has been forced to cut back in critical areas due to a growing debt and debt service burden. (Colombia's total debt almost doubled in the past five years, rising from 19.1% of GDP in 1995 to 34% in the year 1999.) As part of the budget cutbacks, money going to the military, police, and judicial system has been reduced dramatically (20%). Outside assistance is essential to allow the government to both consolidate its economic reforms and at the same time increase the flow of resources to finance the military effort and address the social needs of the Colombian population. In this manner, the government will be able to lay a sound foundation for private sector-led economic growth while ensuring the current economic situation does not generate additional employment in illicit economic activities.

#### STABILIZATION MEASURES

1. The government is working to stabilize the macroeconomic environment, with particular emphasis on addressing imbalances in the fiscal accounts and problems within the banking sector.

2. During the past year, public spending was cut, the VAT's base was widened and a special tax levied on financial transactions and controls on tax evasion were introduced. This second year, most civil servants salaries are to be frozen and more cuts will be made in bureaucracy and non-investment expenditure.

3. A new set of structural reforms—the rationalization of regional public finance, social security reform and the creation of a regional liability pension fund—have been presented to the Colombian Congress. They seek to reduce the structural fiscal deficit and stabilize the debt level.

4. Public companies and banks are to be privatized to increase productivity and help finance the adjustment. ISA and ISAGEN, two national public electric companies, and 14 smaller regional electricity distributors are already on the market, and so is CARBOCOL, the state's coal mining company. Three state owned banks will be up for privatization next year.

5. Two obstacles have rendered the fiscal adjustment more difficult. January's earthquake in the coffee belt is demanding investment resources of almost 1% of GDP, and the financial strategy designed to prevent a banking crisis will demand almost double that amount.

6. The government is closely coordinating its activities with the international financial institutions. The government is currently in discussions with the IMF regarding a three-year assistance program to support the government's fiscal and structural reform plan. World Bank and IDB assistance is supporting the government's efforts to reform the financial sector and public finances system.

7. In addition, the government has prepared a social safety net to alleviate the negative impact that fiscal adjustment will have on the most vulnerable sectors of the population. With one of every five persons unemployed, this is a vulnerable group that includes families displaced from conflict areas of the country. The policy instruments mimic those successfully implemented in similar countries: targeted public works, subsidies for basic necessities (especially for children and single mothers), and targeted loans. The government is working with the IFIs to ensure the fiscal stabilization program will not jeopardize the most vulnerable members of society.

8. The government requires additional outside financing in order to implement its strategy. Assistance is essential to minimize the short-term negative impact of fiscal consolidation on unemployment and other social problems, which ultimately increase the spread of illicit activities.

#### PROMOTION OF TRADE AND INVESTMENT

1. With its economy booming in the early nineties, Colombia was able to bring down its unemployment to just 8%, which in turn heavily reduced the influence of violent groups in the major cities of the country during the early 1990's. The reces-

sion has hit these big urban areas badly, with unemployment in Bogota at 20% and in Cali to close to 23%. This has worsened, as a large portion of the money originating in drug trafficking is laundered through contraband imports into Colombia, fueling the violence, reducing state taxes, and further damaging employment in competing industries. Unemployment is thus impacting and destabilizing Colombia's cities and needs to be addressed through revitalization of industrial production.

2. During the last decade, Colombia opened its traditionally closed economy, expanding rapidly both exports and imports. However, its agricultural sector suffered heavily as its production of cereals, such as wheat, corn, and barley, and other products such as soy beans, cotton and sorghum, were shown to be uncompetitive in world markets. The result was the loss of 700,000 hectares of agricultural production to imports during the decade, which in turn proved to be a critical blow to employment in the rural areas where Colombia's conflict is mainly staged. The expected modernization of agriculture has been extremely slow, since the permanent crops that Colombia, as a tropical country, is competitive in require large investments and credit as they have an unproductive period of several years.

3. With no room for fiscal expansion, domestic and foreign private investment is crucial to recovery and the development of employment opportunities in licit enterprises. This new investment, however, is threatened by deteriorating investor confidence. Foreign investment, particularly, is not only necessary to help solve the continuing financing needs of the economy but is crucial in modernizing the industrial backbone of the country, thus speeding the alleviation of unemployment.

4. Colombia has developed a ten-year strategic plan to expand trade. This is vital to the economic development of Colombia and as a counterbalancing force to drug trafficking, as it would help to encourage private sector initiatives and to expand foreign and domestic investment in non-traditional sectors.

5. The Colombian plan involves developing trade intelligence on world demand and advancing regional and inter-regional integration under strategic guidelines. It also involves designing policies that bring together the industrial, agricultural and services sectors under trade policy, infrastructure building aimed at enhancing productivity, and supporting appropriate export-oriented technological innovation and human capital formation. In this effort the government will pay particular attention to fostering the role of small and medium enterprises in private sector job creation.

6. The plan also involves the implementation of measures that would serve to encourage foreign investment and further promote trade expansion. These include the completion of the necessary steps to comply with existing Uruguay Round agreements, especially those dealing with customs valuation, intellectual property protection, and investment measures, as well as implementing business facilitation measures proposed in the FTAA negotiations. In addition, Colombia will take steps to promote a favorable environment for electronic commerce, in order to create new business opportunities and to improve the competitiveness of existing businesses. Colombia also recognizes that transparency and due process in government procurement is an essential element in achieving greater efficiency in the use of public funds. Accordingly, Colombia is committed to work for the completion of an agreement on transparency in government procurement with the WTO.

7. Colombia looks to its major trading partners, including the United States, to expand Colombia's access to their markets for products for which it has a competitive advantage. The United States' continued support for preferential market access is vital to economic development in Colombia and a counterbalancing force to drug trafficking, as it encourages private sector initiatives and helps to expand investment in non-traditional sectors creating jobs that would otherwise go to the drug trade or to the insurgent or illegal "self defense" groups. In particular, it would be very important at an early date to extend the duration of the ATPA, in order to reduce the uncertainty affecting both trade and investment. Also, the product coverage of ATPA should be extended to be comparable to that extended to other countries in the sub-region, especially those products under the CBI initiative.

8. Colombia and the United States can work jointly to negotiate a Bilateral Investment Treaty as a means of protecting U.S. and Colombian foreign investment and to move as soon as practical to negotiate "open skies" agreements to facilitate air freight and passenger services, for which Colombia will work to satisfy international air safety standards. Colombia will also explore greater use of World Bank/IDB resources, such as the IFC and MIGA, and will also seek more effective utilization of existing U.S. programs such as OPIC, EXIM, and TDA financing, to promote investment.

9. Colombia must open room for alternatives not only to illegal crops but also to crops which respond to the challenges of a modern agricultural sector. This would provide employment in the rural sector which is vital to the success of the overall strategy for peace and development. Colombia needs technical and financial assist-

ance in the sanitary and phytosanitary area to reduce production costs, to encourage greater agribusiness development, and to further advances in biotechnological research and development. In this regard, Colombia will ensure that its regulatory regime for biotechnology products is transparent and efficient.

## II. COLOMBIAN COUNTER-DRUG STRATEGY

1. The Colombian Government has made the fight against drug production and trafficking one of its top strategic priorities. Narcotics is a threat not only to the internal security of the nation but also to people in both consumer and producer nations.

2. Drug trafficking, because of its huge profits and its destabilizing power, is one of the central factors generating violence throughout Colombia. For this reason the government must focus significant attention on this problem and is determined to combat narcotics, in terms of drug-trafficking, production, consumption and any other elements that support this illicit activity, which threatens the democratic institutions and the integrity of our nation.

3. The strengthening of the police and the armed forces through its modernization, restructuring and professionalization is crucial to make them more capable of reestablishing the rule of law, restoring security to Colombians throughout the nation and halting the penetration of irregular groups and organized crime, especially those associated with drug trafficking.

4. The National Government of the Republic of Colombia is committed to implement a long-term National Counternarcotics strategy, an outline of which follows:

### STRATEGY BASED ON HUMAN VALUES

1. Military and police will base their conduct on preservation of democratic liberties and the defense of life, honor and property of citizens. The strategy will give priority to the promotion of respect for and protection of human rights of all persons residing in Colombia.

2. Behavior will be characterized by morality, virtue and honor and by the courage to confront the challenges imposed by the institutional mission.

### *Threat*

1. The phenomenon of internal violence leads to instability caused by four violence-generating agents groups or organizations which carry out aggressive actions leading to physical, psychological, economic, social and political violence: narcotrafficking organizations, subversive groups, illegal "self defense" groups and common criminals.

2. Although the guerrilla movements have their roots in Colombia's rural areas and, at least in part, in ideological confrontation, over time their fight to expand territorial control has been financed not only by squeezing money from citizens and economic activities, but at least 30% of their income now comes from charges placed on coca leaf and paste obtained from intermediaries in the growing areas.

3. The drug trade is now a destabilizing element in democratic society which provides immense financial resources to illegal armed groups. Drug trafficking is the most important source of logistical support in exchange for protection of the cultivation, processing and trafficking of the product, by which in recent years these groups have enjoyed a notable increase in both manpower and arms.

4. Insurgents and illegal "self-defense" groups threaten the state by attempting control portions of national territory, by disrupting order throughout the country through raids, kidnappings, roadblocks and terrorist attacks. The traffickers depend on coca and opium poppy cultivation in remote areas beyond government control—especially in southern Colombia where there is a strong guerrilla presence. Much of the drug processing also occurs in the same geographic areas. As long as this independent source of drugs and revenue remains beyond enforcement powers, the insurgents, the illegal "self-defense" groups and the traffickers will only grow stronger and the state will face a greater threat.

### MISSION STATEMENT

1. National Mission: To ensure order, stability, and the rule of law; guarantee sovereignty over national territory; protect the State and the civilian population from threats posed by illegal armed groups and criminal organizations; break the links between the illegal armed groups and the criminal drug industry that supports them.



*Strategic Objectives*

Over the next six years, the goal is to reduce the cultivation, processing and distribution of narcotics by 50%.

Objective No. 1: *Strengthen the fight against drug trafficking and dismantle the trafficking organizations through an integrated effort by the armed forces.*

- Combat illicit cultivation through continuous and systematic action of both the military and police forces, especially in the Putumayo region and in Southern Colombia, and strengthen the eradication capacity of the Colombian National Police. The government will not tolerate ties of any kind between any member of the military forces or the police and any illegal armed group or force.
- Establish military control of the south for eradication. Destroy the processing structures and improve land, air, sea and river interdiction of drugs and illegal precursor chemicals.
- Establish government control over key drug production areas.

Objective No. 2: *Strengthen the judicial system and combat corruption.*

- Strengthen the infrastructure of the Prosecutor's office, the courts and the public defenders.
- Reinforce and train the corps of police investigators.
- Build up the group charged with fighting corruption and investigating civil servants.
- Reform the prison and jail system.
- Apply extradition laws.
- Obtain a proposal for oral trials in criminal cases and, in the meantime, draft regulations for the present criminal procedures for public trials.
- Strengthen the infrastructure of the prosecutor's office, the courts and the public defenders, especially the human rights units.

Objective No. 3: *Neutralize the drug trade's financial system and seize its resources for the state.*

- Strengthen counter-smuggling efforts.
- Carry out a vigorous asset seizure program.
- Freeze and interdict bank accounts and assets inside and outside the country.

Objective No. 4: *Neutralize and combat the agents of violence allied with the drug trade.*

- Increase security for citizens against kidnapping, extortion and terrorism.
- Halt the acquisition of arms by those groups which profit from drug trafficking through a concerted international effort.

Objective No. 5: *Integrate national initiatives into regional and international efforts.*

- Share information and intelligence with other security agencies in the country.
- Contribute to and coordinate with regional and international operations and efforts.

Objective No. 6: *Strengthen and expand plans for alternative development in the areas affected by drug trafficking.*

- Provide job opportunities and social services to people living in the cultivation zones.
- Promote public information campaigns on the dangers of illegal drugs.

## INTEGRATED FOCUS OF THE PLAN

Develop an integrated effort by the armed forces and police aimed at striking the narcotics cultivation zones and at breaking up the armed, logistics and financial structures of the drug trade through a continuous and systematic effort in three phases, aimed at reducing cultivation and production by 50% over six years:

Phase 1: Short-range military, police and judicial effort aimed at Putumayo and the south and planned for one year.

Phase 2: Medium-range military, police, judicial and social effort aimed at the southeastern and central parts of the country, and planned for 2-3 years.

Phase 3: Extend the integrated effort throughout the country over 3-6 years.

## ROLES, RESPONSIBILITIES AND MEANS

Through its counterdrug policies, the government aims to combat through an integrated plan one of the violence-generating agents which contributes significantly to the high crime rate. Institutional priorities and responsibilities are the following:

### *Human Rights*

All units of the armed forces should ensure the protection of democracy and human rights as a primary responsibility in the performance of its counterdrug missions, as well as in their fight against guerrillas and self-defense groups. The armed forces will increase training in human rights before, during and after carrying out each phase. Protection of the civilian population requires an increased effort to fight the illegal “self-defense” groups in the drug growing and processing areas.

*Role and mission of each force:* The Ministry of Defense and the Department of Administrative Security (DAS) will maintain their assigned priorities in the fight against the violence-generating agents, seeking to optimize results and achieve the following assigned objectives:

- Military Forces—priority: insurgents, illegal “self-defense” groups, drug trafficking and organized crime.
- National Police—priority: drug trafficking, organized crime and petty crime.
- DAS—priority: economic and financial crime against the State, illegally gained wealth of individuals and of insurgent groups.

Counternarcotics operations will be planned and carried out jointly, developing the doctrine required for successful operations.

Tailor and equip units to meet threats to national security and reapportion forces as required to execute strategic plans—emphasizing offensive operations while maintaining essential defense requirements. Develop an operational plan; emphasize training; move toward a professional, predominantly volunteer force; and continue to improve the Colombian military judicial system.

The Armed Forces will increase the professionalization of elements employed in counternarcotics operations as part of a process of evolving toward a professional force.

*Ministries and Institutions:* The Ministry of the Interior and the Governors and Mayors will issue those decrees and resolutions necessary to restrict the traffic and movement of people, weapons and legal materials used in the processing of illegal drugs in the targeted areas at the request of the military or police commander.

#### BASIC ELEMENTS OF THE STRATEGY AGAINST NARCOTRAFFICKING

Even though the fight against narcotrafficking is a primary activity for the State’s police corps, the close link with illegal, armed groups has made the Military Forces dedicate itself to making a decided and committed contribution, in an integrated and cohesive form in the fight against this threat.

#### *Complimentary Actions in the Strategy*

The Armed Forces and the Police have designed a series of actions that support these defined roles and responsibilities:

#### *Human Rights and Operations*

Develop an outreach campaign in an independent form by phases and areas that support the goals of the strategic objectives. A special effort to sensitize our own troops in the reaffirmation of the values, ethics, and the respect for Human Rights. Sensitivity action towards the civil population in support of operational plans and alternative development. Additionally an incentives-campaign aimed at members of armed groups and narcotraffickers to re-integrate into society.

#### *Air Interdiction*

Consolidate control over national air space by all means necessary. Dissuasion of the use of the airspace (intelligence from all agencies, Air Force). Increase the operational range of the Colombian Air Force for interdiction. Supply additional help for the interdiction with the end result being the incremental increase in the rhythm of the operations and expansion of geographic coverage. Improve the air interdiction program with emphasis on eastern Colombia.

#### *Marine, River and Chemical Interdiction*

Increase and improve the operational support for the Navy and the Marines. Improve the efforts to control the importation of precursor chemicals. Interdiction of precursor chemicals in air, marine, river and ground (Army, Infanar, Air Force, Police). Improve the controls to intercept the ground movement of drugs by the CNP, in ports and airports.

#### *Increase CNP Operational Support by the Armed Forces*

Increase the employment of combined operations with the CNP. Strengthen the combined efforts between Colombia and the United States. Improve the protection of our own forces. Integrate the forces in intelligence collection and analysis. In-

crease the number of troops in operations. Increase mobility with emphasis on air-mobile and riverine operations in the jungle. Improve the capacity of the units to conduct combined night operations.

*Operations Against Laboratories and Stockpiles*

Destroy the processing infrastructure. (Intelligence, Army, Infanar, Air Force, National Police). Combat the armed protectors of the narcotraffickers. (Army, Infanar, Air Force). Increase the ability of the CNP and the Armed Forces to detect laboratories. Augment the means to destroy the infrastructure. Reduce the capability of commercializing precursor materials and drugs. (Intelligence, Police, Navy, Army, Air Force).

*Eradication of Crops*

Strengthen and increase the employment of combined security operations during fumigation and eradication operations. Support the new strategies under the United Nations International Drug Control Program, to test and develop environmentally safe and reliable biological control agents, thereby providing new eradication technologies.

*Summary*

The purpose of this strategy is to strengthen the fight against narcotrafficking by bringing all elements of the Police and Armed Forces to bear against the traffickers. The goal is to eliminate large-scale thug production, end large-scale violence and lawlessness by organized armed groups, promote respect for human rights and break the link between armed groups and their narcotics industry support.

### III. JUSTICE SECTOR REFORM

1. Colombia is committed to continue to build a fair and effective justice system. Judicial sector reform will ensure a transparent, fair, accessible and independent system. Effective reform is a key element in restoring public confidence in civil society.

2. Dealing with the traffickers and the culture of violence, corruption and lawlessness they support involves the entire criminal justice system. Particularly the trafficking of cocaine, heroin and other drugs threaten every aspect of civil society and these strategies respond accordingly.

3. These issues cut across Colombian agencies—even across separate branches of Government. The Executive Branch will work closely with the Legislative and Judicial branches to ensure effective coordination and implementation of these strategies.

#### I. INVESTIGATE, PROSECUTE AND WHEN FOUND GUILTY, SECURELY INCARCERATE NARCOTICS TRAFFICKERS, HUMAN RIGHTS ABUSERS AND OTHER VIOLENT CRIMINALS

1. Narcotics trafficking is a transnational crime that has domestic and international consequences. Colombia will investigate, prosecute and appropriately sentence major narcotics traffickers and related criminals. Criminals must be incarcerated in secure prisons so they cannot continue their crimes from jail. International criminals—who have broken other nations' laws—must be, in accordance to Colombian laws, extradited to be judged in the jurisdictions where the evidence of the violations has been collected and in the communities they have harmed. The Government will ensure that expanded counternarcotics and counter-insurgency efforts will not be undertaken at the expense of protection of democracy, human rights and the rule of law.

2. In order to address this priority Colombia will: strengthen domestic and multilateral law enforcement initiatives, including a) multilateral investigations and joint training, and b) effective protection for witnesses and judicial officials; extradite international criminals in accordance with domestic and international law; improve the prison system to meet international standards for security, including adequate facilities and a well-trained and professional corrections staff, and expand multilateral initiatives to control and interdict illicit flows of chemical precursors, including potassium permanganate.

3. The unacceptably high rates of kidnapping and violent street crime, in many cases related to or a product of narcotics trafficking, must be reduced to restore the public's sense of security and well being.

4. Strategies to address this priority include: develop anti-violence programs throughout the country involving law enforcement, judicial and community leaders with emphasis on narcotics related crime; develop, train and equip an anti-kidnaping unit to investigate and prosecute kidnapping crimes.

## II. DEPRIVE CRIMINALS OF ILLEGAL PROFITS AND RECAPTURE RESOURCES FOR CIVIL SOCIETY

1. Combating money laundering and forfeiting illegal profits from traffickers (estimated at more than a billion dollars) can support law enforcement and demand reduction as well as other social initiatives (including land reform, alternative development, and the strengthening of civil institutions) critical to a lasting peace.

2. Strategies to address this priority include: effectively implement existing asset forfeiture legislation and make necessary adjustments to expeditiously forfeit properties seized from criminals; strengthen existing law and institutions to fight money laundering, including the Fiscalía AFML Specialized Unit and the Financial Information and Analysis Unit; ensure coordination among national and international authorities to secure effective information sharing and prosecution; break the financial link between narcotics traffickers, the insurgency and self-defense groups through effective law enforcement programs and multilateral coordination; prosecutors, investigators and customs officials and their international counterparts should target and continue to coordinate efforts to dismantle the black market peso exchange process; complete the development of mechanisms to share assets forfeited in multilateral law enforcement efforts in accordance with international law.

3. The Government of Colombia will move as quickly as possible to complete the formal expropriation of assets, especially land, that has been seized from convicted narcotraffickers. This land will be used, among other things, for the resettlement of small farmers and landless laborers leaving the coca-producing areas as well as those families displaced by rural violence.

## III. PROMOTE TRANSPARENCY AND ACCOUNTABILITY OF THE JUDICIAL SYSTEM

1. Colombia is committed to respect the rule of law and will continue to strengthen all aspects of the judicial system, including fostering the continuing transition to an accusatory system (including oral trials and effective investigations), speeding the movement of cases through the judicial process, ensuring access to justice throughout the nation regardless of geographic location or income. The Government of Colombia will provide leadership to make the judicial system more effective, transparent, fair and accessible.

2. To make the judicial system more effective, the government of Colombia will seek to reduce impunity through improved prosecution, more effective investigations and speedier trials. Ensure effective justice sector coordination, including open communication and effective policy implementation among the different branches and offices of the state responsible for judicial reform and administration; expand training for judicial sector officials, including judges, public defenders and prosecutors to ensure openness to public scrutiny and just outcomes in all cases, including military cases under civilian jurisdiction; implement a core curriculum for judicial police investigators through a single judicial police training academy; ensure public access country-wide to justice services and a fair defense.

## IV. COMBAT CONTRABAND AND STRENGTHEN NARCOTICS INTERDICTION

1. A crucial element to eliminate narcotics trafficking is to close the transportation routes for drugs, precursor chemicals and contraband (which often represents the repatriation of narcotics proceeds). This requires a coordinated effort at all of Colombia's ports of entry and borders.

2. Strategies to address this priority include: coordinate effective maritime enforcement, including joint efforts between the Colombian Navy, the Attorney General and international counterparts to seize narcotics and chemicals and effectively prosecute violators; strengthen and expand existing port security programs to include all national ports of entry; improve information sharing with international counterparts on suspected offenders, routes and shipment trends; fully equip and train a Customs Police service to ensure effective airport and marine port control; strengthen international cooperation to fight contraband; work closely with other Governments, so that the private sector commits itself to develop effective measures to control and prevent contraband, by implementing a "know your client" policy, and better knowing their client's practices.

## V. ELIMINATE CORRUPTION

1. Narcotics proceeds have corrupted officials in all branches of Government and eroded public confidence in civil institutions. Colombia will continue its efforts to fight corruption and ensure that violators are subjected to administrative or criminal sanctions, as appropriate.

2. This will be done by: building upon existing initiatives, including the Presidential Program Against Corruption and the Fiscal's Specialized Anti-Corruption Unit; implementing effective financial disclosure and rigorous pre-employment and inservice integrity checks;

3. The Government of Colombia will work through the Presidential Program Against Corruption and the Comptroller General to increase the transparency of government procurement actions and financial transfers to local governments. This will be accomplished through a campaign for public awareness of how public procurement and intergovernmental transfers work and through strengthened oversight capability of key organizations such as the General Controller and NGO's.

#### VI. REDUCTION OF DEMAND

Colombia is often seen as a producer of illegal drugs but consumption is rapidly increasing among its population. The task of prevention of the consumption of illegal drugs is directed primarily at the young, and is designed to discourage them from starting to consume illicit drugs and to control the abuse of alcohol, tobacco and addictive medicaments. The treatment and rehabilitation networks will also be increased to reach many people who have no access today.

#### IV. PLAN FOR DEMOCRATIZATION AND SOCIAL DEVELOPMENT

1. The general objective of this strategy is to reduce the causes and manifestations of violence, progressively and systematically, by strengthening social participation and collective consciousness-raising. This strategy aims at more accountable local governments, community involvement in anti-corruption efforts and in continuing to put pressure on insurgent and other armed groups to end kidnapping, violence and internal displacement of citizens and communities. Also, the strategy builds on social participation to generate economic, social and cultural conditions to make the eradication of illicit crops viable in peasant-economy areas and indigenous reserves.

#### I. PROMOTION, RESPECT AND PROTECTION OF HUMAN RIGHTS

1. The Colombian government has assumed, under the coordination of the office of the Vice President, a total commitment to the protection and realization of those fundamental rights which transcend internal laws, since Colombia is a party to numerous multilateral treaties and pacts.

2. The government is complying with the following actions: spreading a deeper understanding of human rights through the media, and applying a educational model for use in the Armed Forces, supporting politically and materially the work of the human rights units of the different institutions as well as in training journalists in human rights and International Humanitarian Law. At the same time, the government is working in collaboration with the United Nations High Commissioner for Human Rights in Colombia.

3. A strategy to fight against impunity, to harbor support for various inter-institutional committees that have been created in the last year and that work to push for the investigations and sanctions regarding the most severe cases of human rights abuse. In the same way, the government will have established by the end of this year a Permanent National Commission on Human Rights and International Humanitarian Law, and has presented to the Colombian Congress bills with respect to missing persons and crimes against humanity, and ratification of the International Penal Court.

4. A strategy to protect those who work in defense of human rights, through the support of the Witnesses and Threatened Persons Program, and a Presidential order that requires all public functionaries to protect human rights workers and to support their work and those of NGOs throughout the country.

5. The government will support the work of the human rights unit of the Fiscalía General de la Nación, Procuraduría General de la Nación and Human Rights Ombudsman, and will give special protection to those who work in defense of human rights through enhanced security for both their persons and their work places.

#### II. POLICY FOR THE PREVENTION AND CARE OF THE INTERNALLY DISPLACED

1. Actions directed, as the first order, to helping those who are displaced to return home, and, in the second place, to guarantee stability through social investment and productive programs in these areas. The Government's strategy for attention to displaced persons will be closely coordinated with the peace process and the overall effort at increasing local government capacity. Attention to displaced persons will be undertaken primarily by municipal governments and Colombian NGOs under the leadership of the Red de Solidaridad Social. The Government of Colombia will also

invite the participation of international organizations at the municipal level as a means of mobilizing additional resources as well as to establish independent verification of the local situation.

2. According to the outlines of the Governing Principles of the internal displacement, the Government's action seeks to neutralize the causes that lead to displacement by improving security in those areas of highest incident. In conflictive areas, the Government will establish an early warning system to detect imminent violence and permit an appropriate response. In the cases where it is not possible to prevent displacement, the government will look to strengthen its abilities to address local needs.

3. Develop special measures to guarantee that, each time a person is displaced, his or her rights will be protected, while establishing minimum standards for emergency humanitarian assistance with respect to water and hygiene, nutrition, health and shelter, taking into account the various needs of different age groups, with special attention given to children, women and ethnic minorities. Wherever feasible, the Government of Colombia will promote Communities of Peace to which displaced persons can return and where delivery of social services and public security can be facilitated.

### III. NATIONAL PLAN FOR ALTERNATIVE DEVELOPMENT

1. The Colombian policy for the voluntary abandonment of illicit crops by small farmers (less than 3 hectares in production) and plantation laborers is driven by the proximity of the producing area to potential markets, the origin of the people producing the illicit crop, and the agricultural potential of the land where illicit crops are being grown.

2. In the poppy-producing areas, as well as approximately one third of coca-producing areas, it is generally feasible to substitute one or more agricultural crops for the illicit production of small farmers. In these areas, producers will be encouraged to abandon illicit production in return for assistance in establishing profitable legal crops, provision of education and health services, improved municipal infrastructure, and public security. Municipal governments, the private sector, and Colombian NGOs will work with the Government of Colombia in the establishment of sustainable crops and to strengthen the links between producers and local and urban markets.

3. It is estimated that as much as 60 percent of the coca-producing areas are far from potential markets and in areas that are poorly suited to any sort of sustained agricultural production. To offer legal income opportunities to small farmers and laborers in such areas, the Colombian Government envisions three possible responses: First, farmers and others with an agricultural vocation will be offered the opportunity to move from the coca-producing areas and resettled on land that has been seized from narcotics traffickers or provided by the land reform institute, INCORA; second, economic opportunities in small- and micro-enterprise will be offered in the urban areas of origin for migrant coca farmers, to remove the economic incentive for that migration; third, the Colombian Government will work with indigenous groups and local governments to launch economically feasible environmental protection activities that conserve the forested areas in an effort to slow the advance of the agricultural frontier into inappropriate areas. The conservation and protection effort will also generate employment for some former coca farmers.

4. The estimated cost of the National Alternative Development Plan for 2000-2003 is \$500 million. Of this, \$350 million will be for technology transfer and productive enterprises, \$100 million for infrastructure development in rural areas, and \$50 million for conservation and restoration of environmentally fragile areas.

### IV. STRATEGY FOR SUSTAINABLE DEVELOPMENT IN ENVIRONMENTALLY FRAGILE AREAS AND THEIR PROTECTION

1. The armed conflict affects the natural habitat, as does the expansion of agriculture and, most notably, illegal crops, which have destroyed close to one million hectares of forest between 1974 and 1998. These zones include a high percentage of conservation areas and national parklands, and there is ample evidence that this process of expansion poses a serious threat to the vital Amazon Delta.

2. Actions to confront this problem include restoring certain areas as national parklands, while also recovering forestlands<sup>1</sup> which, it is hoped, will contribute to

<sup>1</sup> This initiative arose in the context of the approval of the amendment "Act 1961 to facilitate the protection of the tropical forests by helping to reduce the debt of developing countries with tropical forests," on behalf of the President of the United States, July 29, 1999.

the global objectives to preserve the Amazon Delta, as noted at the Convention of Climactic Change, with respect to the absorption of CO<sub>2</sub>.

3. Moreover, the government will help the move away from unsustainable products towards those more amenable to local and regional conditions, strengthened by other experiences with more sustainable products.

4. Finally, to support the small reforestation in the primary transformation of wood and non-wood products in the forest, to consolidate green markets that generate possibilities for local businesses.

#### V. THE ROLE OF LOCAL COMMUNITIES AND MUNICIPALITIES IN THE SOCIAL AND ALTERNATIVE DEVELOPMENT STRATEGY

1. Citizens expect security, order, employment, basic services and a brighter future for their children. National programs such as those in alternative development, environmental protection, displaced persons and assistance to conflict zones aim to help fulfill these expectations, thereby reducing incentives for residents to move or to produce illicit crops. Local communities and municipalities play a critical role in helping national programs reach Colombia's citizens.

2. Strengthening local governments' capacities to develop and carry out national social investment programs, work with local non-governmental organizations and businesses in solving local problems and account for their performance is central to Colombia's social investment and alternative development strategy.

3. The Government of Colombia will work through the Red de Solidaridad Social, Ministries, and NGOs to increasingly provide municipal governments with the technical abilities to manage funds and carry out activities aimed at displaced persons, alternative development and poverty alleviation. Up to 150 communities, in areas where conflictive situations or illicit crop production have disrupted the provision of basic services, caused environmental degradation or where there is the highest incidence of poverty, will be selected over a period of two years to participate in a local government strengthening program. Local government leaders will be trained in governance skills. Further, the local governments will be trained to develop mechanisms to promote public participation in the decision making process and in resolving social and economic problems. With this training local leaders will be able to prioritize community needs, design and implement priority initiatives to meet basic service needs and utilize resources available in the most effective manner.

4. To maximize the effectiveness, local governments will work in partnership with the national government as well as local businesses and non-governmental organizations. Municipal governments will be encouraged to invest both local revenue and revenue from the National Treasury in conjunction with donor funds to support local organizations in addressing priority needs. The Government of Colombia will also invite the participation of international organizations at the municipal level as a means of mobilizing additional resources as well as establishing a means of independent verification of the local situation.

### V. PEACE PROCESS

#### I. THE PEACE PROCESS

1. The armed conflict been waged in Colombia for more than thirty-five years. This Administration has initiated a process that aims at a negotiated peace agreement with the insurgency on the basis of territorial integrity, democracy and human rights, and which, if successful, would rapidly strengthen the rule of law and the fight against drugs throughout the country.

2. The peace process is one of the country's top priorities. President Pastrana has assumed personal leadership of the government's role, along with the assistance of the High Commissioner for Peace, appointed directly by the President. The Commissioner, whose position carries ministerial rank, works alongside economic and social leaders who are equally devoting their energies to ending the conflict.

3. The purpose of the distension zone, an instrument created by law 418 of 1997, is to guarantee the security necessary to advance negotiations with the insurgency. Within its powers the President can create as well as eliminate a distension zone, thereby making a reaffirmation of sovereignty by the State. It implies only the restriction of the presence of the Colombian armed forces and Police within the area and the suspension of warrants for arrest, without affecting the power of elected officials both at local and regional levels.

4. The distension zone created for the negotiations with the FARC is a sparsely populated area accounting for 0.25 percent of the Colombian population. Its historically low number of inhabitants is due to the fact that the territory is either mountainous or infertile grasslands and jungle. Given the temporary character of the

distension zone, its duration is related to the advancement of the negotiations, without the possibility of interfering with free local elections. The National Government has created and directly pays for a civil police force which supports the mayors in each of the municipalities.

5. The peace process is also part of a grand alliance against narco-trafficking, corruption, and the violation of human rights, as part of the government's resumption as the sole guarantor of law and order. For this to become both feasible and lasting, it requires complimentary support in the areas of security and defense, as well as a partnership against drug production and consumption and a development plan to create jobs and reach those most in need.

## II. THE ARMED CONFLICT AND CIVIL SOCIETY

1. There are three main protagonists of the conflict. On the side of the guerrillas, there is the FARC (Revolutionary Armed Forces of Colombia), and the ELN (Army of National Liberation), whose roots lie in rural agricultural and the cold-war, respectively. On the other side there are the illegal "self defense" groups, who seek an armed end to all guerrilla activities and political recognition for their organization. Finally, caught in the crossfire, are the great majority of Colombians, who often suffer at the hands of the other players.

2. The guerrilla movement has its roots in the traditional rural and political problems of Colombia and, also in part, in ideological capitalist-communist confrontation. With time, its fight to extend its territorial presence as a means to acquire military and political power has been financed by extortion and kidnappings, and more recently, from charges placed on coca leaf and paste obtained from intermediaries in the growing areas.

3. In the past thirty years Colombia moved from being a primarily rural country to an urban population, with more than seventy percent of its population in now in urban areas. With the end of the cold war, the public support that the insurgency had during the 1960's, 70's and 80's has diminished to the point that the polls today show only a 4 percent backing. The guerrillas understand that, under the circumstances, they will not be able to take power by way of an armed struggle. Despite the country's rejection of their ideology and, particularly, their methods, they continue to seek leverage through military means.

4. The peace process has been set up to allow society as a whole to play a central role. On the one hand they can put pressure on armed groups for a political solution to the conflict and respect for their internationally recognized humanitarian rights (IHR). On the other hand, they can present ideas and suggestions to help move the process along, and which can serve as a basis for future negotiations. More specifically, there is a consensus regarding the necessity to reach a negotiated settlement to the conflict, to have a broad agenda, and to welcome the participation of the international community.

## III. THE STATE OF AFFAIRS

1. The peace process has made real advances on several fronts. With the FARC, a distension zone was created as a safe haven for negotiations, and has helped both parties to formulate an agenda, a process which was completed by last May. The government and the FARC have agreed on a commission to accompany the process, but its implementation has had problems. The process has stalled on that point but it is hoped that an agreement on the commission will be reached soon.

2. With the ELN, the government has authorized a group of well-known Colombians to facilitate the liberation of the hostages, and has agreed to initiate, immediately after their liberation, direct dialogues that will permit a formula to call for a National Convention.

3. In the case of the illegal "self defense" groups, the government continues to fight them, although this does not imply that, with the advancement of the peace process, it is not ready to look for alternative peaceful ways that will dismantle their infrastructures and operations.

4. During the peace process, the Armed Forces and the Police must continue to strengthen themselves, in order to maintain an effective presence throughout the country.

## IV. THE ROLE OF THE INTERNATIONAL COMMUNITY

1. The role of the international community is vital to the success of the peace process. More specifically, Colombia requires support in two areas: diplomatic and financial. The international community can act as moderator, mediator, overseer or, at a later stage, verifier of the process. In addition, it is very important that they



energetically reject any and all terrorist actions and violations of IHR, and to apply pressure to keep the process moving.

2. In the field of bilateral cooperation, military and police cooperation stand out. Collective action by neighboring countries is not only less effective than bilateral action, but it can serve to obstruct the negotiating process. In this sense, to coordinate military and police operations and to improve border security, technological and equipment support would be of enormous benefit.

3. Referring to diplomatic action by neighboring countries, at the present stage, the Colombian government prefers bilateral dialogue and confidential consultations with countries interested in the process. Whatever form of international participation in the peace process takes, it must conform to norms established by international law and be acceptable to the Colombian government. It must adhere strictly to the principles of non-intervention and non-interference with respect to internal affairs of state, and must be undertaken after consultation with, and the support of, the Colombian government.

4. The Colombian government has set up a fund as a means of channeling international financial assistance directly to the peace process. This fund will be able to support projects designed to provide economic and social development to those areas hardest hit by the armed conflict. For this purpose a consulting group has, with the support of the IDB, been set to receive contributions made by various countries. These resources will be used to supplement those funds already allocated by the Colombian government.

5. A successful peace process will also have a positive impact on counterdrug efforts as the Government of Colombia will be able to expand law enforcement and alternative development programs to those areas most involved in drug production. The insurgency and drug-trafficking are problems which, though linked in certain ways, have distinct origins and different objectives. The guerrillas operate under a revolutionary political-military scheme that demands a negotiated solution—something that can never be accorded to narco-traffickers.

