

# US drug czar claims cocaine prices rise

The Miami Herald  
Nov. 08, 2007

BOGOTA, Colombia --

American-backed counter-narcotic programs in Colombia and Mexico are disrupting the flow of cocaine into the United States, driving up prices 44 percent on U.S. streets this year, the White House drug czar said Thursday.

John Walters, in a written statement from Bogota, said cocaine shortages reported by law enforcement officials in 37 cities in the past several months were "the best evidence yet that (hemispheric) counter-drug programs ... can break the machine that delivers violence, corruption and addiction."

Walters, director of the Office of National Drug Control Policy, said the average price per pure gram of cocaine increased 44 percent to \$136.93 between January and September. He said the jump was accompanied by a 15 percent decline in the average purity of cocaine, another key indicator of supply.

Drug policy analysts immediately disputed Walters' upbeat appraisal as possibly unfounded. A Justice Department drug intelligence report released Wednesday indicates prices since July may already be returning to earlier levels in some markets.

"The increase (Walters) is claiming is decent-sized, but it's not unprecedented and history shows that those price spikes reverse quite quickly," said John Walsh, a drug policy expert at the Washington Office on Latin America, which has criticized the anti-drugs strategy.

Despite a record eradication campaign that's been at the heart of \$5 billion in American foreign aid to Colombia since 2000, production of coca - the base ingredient of cocaine - continues to rise, the latest White House survey found.

Colombia supplies 90 percent of America's cocaine.

Walters, on a trip with Drug Enforcement Agency chief Karen Tandy to show support for Colombia's anti-narcotics strategy, was scheduled to meet with journalists in Bogota on Thursday.

Key lawmakers have slammed Walters in the past for touting the drug war's achievements.

Last year Sen. Charles Grassley, a Republican from Iowa who then chaired the Senate Caucus on International Narcotics Control, called for President Bush to fire Walters for "cooking the books" and celebrating in November 2005 a 19 percent, six-month price hike that was later reversed.

This year's apparent shortage could prove to be just as short-lived, the 2008 National Drug Threat Assessment found.

Even while acknowledging previously announced shortages during the first half of the year, the report prepared by the Justice Department's drug intelligence center found "cocaine availability may already be returning to previous levels in some areas."

The report did not say which markets were being replenished or how quickly, only that the shortage observed between January and June "was not the result of decrease in cocaine production."

More likely, it was the result of a crackdown on prominent Mexican traffickers, violent feuding among that country's cartels and surging demand for cocaine in Europe.

"Because cocaine production in South America appears to be stable or increasing, cocaine availability could return to normal levels during late 2007 and early 2008," the report states.

The Justice Department report echoes the findings of another study presented to Congress on Oct. 25 by the Government Accountability Office.

"Nobody believes there's not enough drugs in the system to satisfy global demand," Jess Ford, author of the GAO study partly based on the most recent government data, told The Associated Press.