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BOLIVIA

# HOW TO LOSE THE COKE WAR

*The U.S.-Bolivian campaign against the "Coca Nostra" has been a failure, says one of the men who led it*

STAT **F**ORMER AIR FORCE Major Clarence Edgar Merwin has seen America's war on drugs as few others have—from the front lines of one of its losing battles. For two years Merwin combated Bolivia's "Coca Nostra," the barons of the cocaine trade. The story of his struggle helps to explain why the United States is far from winning this much heralded conflict.

Ed Merwin went to Bolivia, at age forty-five, uniquely qualified to take on the underground empire of the drug traffickers. He had recently retired from a twenty-one-year career in the military, during which he had served as the director of the Latin American branch of the Air Force's Special Operations school, chief of the indications and warning branch of the U.S. Southern Command in Panama, and a senior U.S. representative to the Organization of American States Mission in Central America. He had also served in combat in Southeast Asia and had been detached from the Air Force for two tours with the CIA. He was highly regarded in Washington circles as an expert in special operations.

Shortly after he entered the civilian job market as an "international-security consultant," the State Department's Bureau of International Narcotics Matters came to Merwin with an unusual offer. They wanted him to join the department's Narcotics Assistance Unit (NAU) team in Bolivia, on a civilian contract, and become the chief adviser to the Bolivian Narcotics Police. His task would be to create and train a first-of-its-kind paramilitary unit to move against major drug-trafficking organizations in Bolivia. Officially designated the Mobile Rural Patrol Unit (UMOPAR), but popularly known as the Leopards, the force would be elite—trained as well as or better than any other armed unit in Latin America, and composed of tough, highly motivated, and corruption-resistant officers and troops. The Leopards would serve as the model for similar anti-narcotics units elsewhere.

This anti-drug strategy had been con-

ceived in four treaties on narcotics signed by Bolivia and the United States on August 11, 1983. In addition to launching UMOPAR, the agreements created a Bolivian government entity known as DIRECO, the Coca Reduction Directorate, and committed the government to a five-year program to reduce coca production to only that level needed by the domestic population of coca-leaf chewers. In 1985 Bolivia estimated that level to be 20,000 metric tons of dry coca leaf annually, a figure thought by most experts to be exaggerated. The figure was recently revised to 10,000 tons. In any case, perhaps 240,000 tons of coca are grown—over twenty times as much as domestic consumption could warrant. This huge crop has the potential to produce 240 tons of cocaine hydrochloride. Bolivia supplies about 40 percent of the worldwide market in the drug. In the agreements Bolivia was initially obligated to eliminate 4,000 hectares of coca production—some experts estimate that as many as 200,000 hectares are under cultivation there—by December 31, 1985.

Under the treaties about \$7.5 million was allocated by the United States for the agricultural and law-enforcement support of the various programs. This was followed in later fiscal years with additional funding in foreign-aid packages—with, however, the stipulation that portions of the assistance would be suspended unless the Bolivian government took steps to eliminate cocaine trafficking, including meeting the target of the 4,000-hectare reduction.

In this hopeful context of ambitious policy goals and generous funding to reach them, Ed Merwin took his family to Cochabamba, Bolivia, on March 1, 1984. Sprawled across a valley 8,500 feet above sea level, southeast of La Paz, the city was until recently referred to as the breadbasket of Bolivia. That was before coca became king and Cochabamba became the gateway to the vast coca fields of the neighboring Chapare region. Today the city's population of 650,000, though still primarily Quechua Indian, is teeming with *flotantes*—drifters, or transient peasants searching for work in the coca plantations and processing labs. As the coca economy has relentlessly overgrown all else and food production has steadily declined, the valley has become a food importer.

Cochabamba is a cowboy town; dealers and cocaine camp followers loiter in

outdoor cafés along the Avenida Ballivian, acting out their vision of themselves as outlaws in their BMWs and Mercedes. Outside town, in the Chapare, impatient dealers have occasionally taken to weighing hundred-dollar bills—so many pounds of dollars buys so many pounds of drug—as they sit behind their lemonade-stand-style folding tables.

From the moment that Merwin arrived in Cochabamba, there were portents of trouble. Merwin had told his State Department liaison that he would accept the job only if his family was guaranteed a secure, defensible home. It had to be on a quiet street; there had to be a stone wall around the property at least twenty feet from the house itself; and there had to be a route of escape, should the perimeter of the house ever be breached.

The State Department liaison had given his solemn promise: "We don't take chances where the safety of our people is concerned," Merwin recalls the man's saying. But what Ed Merwin saw on his first day in Cochabamba was a house with no protective wall at all. And it was located on a dead-end street, a cul-de-sac. Shaken, he found another house himself.

His unease deepened when he set to work training the Leopards unit. The 1983 agreements obligated the United States to outfit the strike force with virtually all of its nonlethal equipment—vehicles, communications devices, and uniforms. (U.S. law prohibits the transfer of weapons or ammunition to foreign police organizations.) The government of Bolivia agreed to provide the rest—weapons, food, housing, medical support, and salaries for the troops.

But Merwin quickly discovered that the wording of treaties is often a far cry from the language of reality. "The troops would go months without receiving money for rations," he told me recently. "They had food, of course, but it was because of credit. We'd con some merchant into selling enough food for a whole battalion on credit." According to Merwin, this lack of support from La Paz was unswerving. "I kept objecting, because the men weren't getting paid three, four, five, six months at a time, but it didn't do any good. And there was no budget for medical supplies—things any kind of military organization needs. It was not provided for at all."

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Although the Leopards unit was intended in the treaties to have priority—the necessary precondition for any effective coca-crop-reduction program being the establishment of governmental authority in the Chapare region—the program was lost in the clutter of other U.S. programs and agencies involved in combating the Bolivian narcotics problem. The DEA, U.S. Customs, the U.S. Information Agency, the Bureau of International Narcotics Matters (and its NAU arm), the FBI, the CIA, and the Agency for International Development all participate in Bolivia's war on drugs. (Inside the United States more than thirty government entities are involved in our war on drugs as of this writing.)

Politically the anti-drug campaign was byzantine; organizationally it was a nightmare. While the NAU was funding a coca-crop-reduction program, AID was running a separate crop-substitution program, aimed at inducing *campesinos* to grow other crops instead of coca. Merwin's NAU was in charge of the Leopards unit, but the DEA (which is prohibited from any direct law-enforcement activity overseas) was responsible for developing the intelligence needed by the Leopards to pick targets and make raids. In addition, the entire U.S. effort in Bolivian narcotics control was under the supervision of U.S. Ambassador Edwin Corr, now the ambassador to El Salvador. Unfortunately, the Ambassador's principal mission was not to cripple the drug trade but rather to maintain stable relations with unstable Bolivian governments that refused to do so.

THE PROBLEMS THAT Merwin at first attributed to bureaucracy, indifference, and the anarchy of Bolivian politics took on a new significance when he discovered that his Leopards commander, German Linares, had "accepted gratuities," as Merwin put it, from traffickers. I had met Linares, before Merwin arrived to take over training and deployment of the newly assembled Leopards force. In November of 1983 I accompanied Linares and his troops on a rare raid against a major cocaine lab, run by Jorge Cuellar and Jorge Flores, in Beni province. Cuellar, before going into business with Flores, had worked as a pilot for the legendary drug czar Roberto Suárez Gómez—reputedly the model for the Sosa character in the recent movie *Scarface*. Flores also was considered by the DEA to be a fairly weighty crook. The raid was planned after intelligence indicated that 3,000 pounds of pure cocaine would soon be flown out from the Cuel-

lar-Flores ranch. But the operation was delayed a critical twenty-four hours—lack of fuel for the aircraft, Linares told me—and by the time we arrived at the remote jungle ranch, all that remained was a few pounds of the drug, \$13,000 in crisp Bolivian pesos, a small aircraft fueled and ready to go, and Cuellar and Flores.

What I didn't know at the time, Merwin insists, is that Linares accepted a gold Rolex watch from Cuellar and "probably some other items or promises of items." The two dealers were released from jail after only a few days, when a La Paz judge cited "irregularities" in Linares's paperwork. Soon after the raid Linares's administrative assistant, Captain Pablo Vargas, took to driving his newly acquired Mercedes through the streets of La Paz, causing no surprise that he could afford such a vehicle on his salary of \$75 a month. Linares remained commander until June of 1984, when he led a group of rogue Leopards officers who participated in a rightist-backed attempt to kidnap Hernan Siles Suazo, then the President. Exiled to Spain, Linares was recently brought back and reappointed to his old Leopards command.

MERWIN EVENTUALLY recalled Linares fondly, considering his corruption "not very serious" when set against that of later commanders. In an interview, never broadcast, for the CBS newsmagazine *West 57th*, which I co-produced after Merwin's return to the United States, the reporter Jane Wallace asked him about corruption.

Wallace: "[You had] eight different commanders?"

Merwin: "Eight. It was mostly because they either got too blatant about accepting bribes or, in the one case of the only really good tactical field commander we had, he refused to take a bribe and he got fired by his boss, who had offered him the bribe."

Wallace: "So the drug dealers were buying off [former director of the Narcotics Police] Colonel Guido López while you were there, as far as you know?"

Merwin: "I was under that impression."

Wallace: "How solid is the information?"

Merwin: "Very solid."

Wallace: "Can you reveal the source of it?"

Merwin: "No, not really. . . . The U.S. is a very technological society and we have a lot of capabilities. That's

something that the Bolivians never quite understood. Every time they talked on the telephone, we knew about it, you know."

Wallace: "Is [the current director of the Narcotics Police] on the take?"

Merwin: "I don't even know who he is right now. . . . If this one isn't, his predecessors all were."

Wallace: "All of them?"

Merwin: "To my knowledge, all of them."

Wallace: "In what ways?"

Merwin: "New cars. Send your kids to the States to go to school. One of the former Leopard commanders who was dishonest—he was bad when we got him and he got worse—I understand that he now has a really nice ranch. Has a new BMW. Wears very nice clothes. All of the national directors [of the Narcotics Police], very natty dressers. Some of them had amazingly good taste."

Wallace: "And the rest of the enforcement structure in Bolivia . . . how corrupted was that structure?"

Merwin: "I have to tell you I think that a hundred percent of the Bolivian enforcement structure was corrupted."

Wallace: "Bought by the cocaine traffickers?"

Merwin: "Yeah."

HIS MISSION THUS compromised, Merwin found his operations either sabotaged or restricted to low-level traffickers. I observed one raid in mid-December of 1985, carried out against the tiny village of Cruzpata, about twenty-five miles south of Cochabamba. Merwin and forty-seven Leopards stole into the village just before dawn, rousting frightened villagers from their beds at gunpoint and searching the pitted stone huts for drugs. The net result, aside from the seizure of a couple of pounds of drug, was the arrest of two coca-leaf mashers (the drug-making process looks much like primitive wine pressing), a boy of about sixteen and a woman with three children who was caught with a half pound of coca paste. What follows is a transcript of my videotaped interview with one of the suspects as she was being led away:

Question: "Ma'am, why do you have this [points to bag of cocaine]?"

Woman: "They told me to sell it. My husband is trying to [find work in] potatoes. He's going to try hard. . . ."

Question (to Ed Merwin): "These people do not seem to be making any money from this. They seem to be more victims than perpetrators."

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Merwin: "Clearly. That's correct."

Question: "Then why are they being arrested?"

Merwin: "People have to understand that it is illegal, and be unwilling to do it, be unwilling to go to jail to earn even what they earn."

Question: "What happens to these children if their mother goes to jail?"

Merwin: "They'll go with her."

Question: "They'll go to jail with their mother?"

(Merwin sighs.)

It was a difficult moment for Ed Merwin, one that caught the futility of his mission in Bolivia. "It was very frustrating," he later told me, adding that he had interceded with the prosecutor to let the woman go. "Picking up these *campesinos* and putting them in jail for however long is not going to really do any good. You want the big guys . . ."

**W**HO ARE THE chieftains of the Coca Nostra who have fostered this political corruption? As Bolivian (and some American) officials tell it, the Coca Nostra is an invisible cabal of conspirators, each more elusive than the archterrorist Abu Nidal, each better protected than Yasser Arafat, and each possessed of more weapons and resources than Colonel Qaddafi.

Actually, I found the men of the Coca Nostra to be more accessible than the average big-city mayor in America. I spoke on the telephone to members of the Roberto Suárez family, and they were forthcoming about many of their activities, especially their charitable work in behalf of the poor. I visited (and even filmed inside) a well-guarded cock-fighting club on a main street in the town of Santa Cruz, where I saw men reputed to be among the biggest traffickers in the country betting tens of thousands of U.S. dollars in cash on a single fight.

I'm speaking of people whose trafficking enterprises handle from 2,000 to 10,000 pounds of pure cocaine a month, and generate gross monthly sales of \$20 million to \$70 million—people like the Razuk family and the Malky brothers, descendants of Palestinian merchants who emigrated earlier in this century. There are also the Chávez Rocas brothers, a former air force lieutenant called "Teniente" Morales, Loncho Paz, and two of the biggest drug traffickers in the world, Hugo Añez (more on him later) and the more famous Roberto Suárez.

Like several other drug barons, Roberto Suárez comes from a prosperous cattle-ranching family. His great-grandfather was Bolivia's first ambassador to

England, and other Suárezes have served as senators and business leaders. Reportedly, Roberto Suárez's fondness for gambling necessitated at one point a financial "quick fix," as it were, which the surging cocaine trade provided. He quickly rose to the top.

One of the most fascinating elements of the Suárez story is how little his status as an outlaw has limited his very powerful influence in the country. In the late 1970s Suárez became associated with the Nazi war criminal Klaus Barbie, who was hiding out in Bolivia. Barbie used his Gestapo experience and his fascist connections to recruit for the *Coca Nostra* a small private army known as *Los Novios del Muerte*—"the Fiancés of Death." It was actually more a security force than an army, and probably never numbered more than twenty-five men. But among its top officers was a right-wing Italian terrorist, Pier Luigi Pagliai, who was wanted for the 1980 bombing of a Bologna train station in which eighty-five people were killed. And it seems to have concentrated on attacking and intimidating left-wing labor leaders rather than defending the cocaine enterprises of its employers against rivals or the police.

Suárez is known to have been involved with General Luis García Meza in the coup d'état of 1980 (García Meza was alleged to have been paid a million dollars in cash by the Coca Nostra), which for the first time anywhere in the world handed state power over to active traffickers. García Meza's Interior Minister, Luis Arce Gómez (who was popularly known as the Minister of Cocaine), was eventually indicted by U.S. grand juries. In 1981 García Meza's government fell, after Washington suspended aid to Bolivia, and a year later he and Arce Gómez fled to Argentina. Shortly thereafter the new civilian government of Hernan Silez Suazo extradited Klaus Barbie to France and Pagliai to Italy. But Suárez remains, his public presence strong. For example, he has taken out full-page newspaper advertisements to argue against more-stringent narcotics laws. And he has several times publicly offered to pay off Bolivia's \$3.8 billion national debt.

Other members of the Coca Nostra are similarly visible. They own TV stations, cattle ranches, and other businesses, they operate small fleets of aircraft out of major airports, their addresses are in the phone book, and their whereabouts at any time are probably not too difficult to ascertain. If someone wanted to get them, it would be easy to do.

But U.S.-Bolivian anti-narcotics efforts have consistently avoided these bosses of the underground drug empire and have focused instead on the mass of impoverished peasants that makes up the empire's work force. According to a 1986 State Department report, the work force is growing steadily. "The country's entire economic structure—labor, marketing, supply and demand—is being distorted by growing reliance on coca," the report notes. "Diversion of resources, transportation and skilled labor have severely disrupted normal legitimate trade patterns." The report adds, "The poor continue to migrate to key coca producing regions seeking ready work and cash. This trend could increase dramatically as Bolivian tin mines close down in the face of the dramatic fall in world tin prices and as landless and unemployed miners seek employment alternatives."

The economy is paralyzed. Inflation at one point in 1985 reached levels that would produce an annual rate of 20,000 percent. Development has ground to a halt. The very idea of capital investment is laughable. For the first time anywhere in the world, the illegal traffic in drugs is no longer just an underground economy. In Bolivia it is *the* economy.

Meanwhile, rather than attacking the handful of men, and their organizations, who have such a stranglehold on the social and economic life of the nation, the State Department's strategy has been, in its words, to place its "highest priority on crop control." Merwin considers this approach ludicrous.

He describes flying from the town of Santa Cruz to Cochabamba in the company of a representative from Earth Satellite Corporation, which had been contracted by the Bureau of International Narcotics Matters to conduct surveys and determine the precise number of hectares of coca under cultivation. "We're flying up there at ten thousand feet," Merwin recalls, "and as far as the eye can see in any direction is coca plantation. I tell this guy, 'Take a look out there! What's the difference if we eradicate four hundred or forty thousand hectares? There'll still be enough to bury the world in cocaine!'"

Nothing short of immense crop reductions has even a theoretical possibility of making an appreciable dent in cocaine manufacturing. But there is the small matter of trying to implement such a program. In the 1983 treaties the Bolivians promised to destroy 4,000 hectares

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of coca by December 31, 1985. In that year traffickers planted thousands of new hectares. But, as the Department of State concedes, La Paz managed to eradicate only thirty hectares. Washington praised this as a "demonstration of the government's political will to combat narcotics production."

Today, with less than two years to go before all illegal coca cultivation is supposed to be eradicated in Bolivia, Washington reports that the bilateral efforts have succeeded in pulling up a total of 200 hectares' worth of coca bushes out of the 200,000 hectares estimated to be now in cultivation. This 200 hectares could have produced about 250 kilos of cocaine. Thus it seems that what was bought with the \$7.5 million of U.S. taxpayers' money initially authorized under the treaties could have been bought wholesale in Miami for \$6 million.

WHILE MERWIN WAS being tied down Gulliver-like by the Lilliputian detail of Bolivian coca eradication, he and his family were in growing danger. There were bomb threats to his home. The electricity was shut off for days at a time—his was the only home in the neighborhood to suffer such outages. The family dog was first knifed and then poisoned. Finally, Merwin discovered through highly classified intelligence gathered in another country that the Coca Nostra had ordered his assassination. Although he still won't discuss details, he does say that the order came from the "highest levels" of the drug mob.

Ed Merwin felt betrayed by his allies, abandoned by his superiors, and held back from truly grappling with his enemies, who now seemed intent upon murdering him and possibly his family, as well. U.S. drug agents had always been considered inviolate—until the recent torture and killing of Enrique Camarena Salazar, in Mexico, that is. Merwin repeatedly asked for—begged for—more support, or at least more pressure on the Bolivians. It never came.

So Merwin decided to act. The DEA had managed to place an informant inside a large-scale cocaine laboratory near the jungle town of Trinidad, in Beni province. This lab was located at the ranch of no less a personage than Hugo Añez. Merwin moved quickly, scrounging up a C-47 transport that even with load restrictions would allow him to ferry twenty-eight troopers, himself, and the air crew to the Añez ranch. The operation was organized as previous ones had been, with one exception: La Paz was

not informed of the raid until after Merwin was airborne, and the plane was twenty minutes en route to the target before Merwin told the air crew where they were going.

The Leopards seized thirty-four suspects, two small planes, and an unimpressive assortment of weapons (it did not include any of the surface-to-air missiles that La Paz officials keep insisting are in Coca Nostra hands). On the property they also found a working cocaine lab stocked with 210 kilos of ready-to-ship cocaine. And in the hacienda, having lunch with a Bolivian senator, was Hugo Añez himself.

Añez was brought to the lab, where he denied knowledge of how drugs had come to be present there. Merwin came in a bit later to find Añez smoking cigarettes and joking with his Leopards guards. Everyone became quiet, except Añez, who smiled.

"Tell you what, my friend," he said. "I'll give you a check, and you fill in the number of zeros you want, okay?"

Without a word Merwin (who tells the story in a matter-of-fact way) grabbed Añez by his open shirt collar, pushed him back, and sat him on a chair in front of a table on which was piled the 210 kilos of cocaine. Then Merwin pulled out his Polaroid and snapped a picture, much as one might of an animal captured on safari. Añez's smile disintegrated; Merwin turned and walked out. Two days later Hugo Añez was released from jail in Trinidad on orders from La Paz. The U.S. Embassy did not protest his release.

MERWIN NEVER AGAIN moved against a major drug trafficker. He spent the remaining months of his tour breaking in new commanders, organizing more raids against mostly low-level operators, and trying not to get killed.

His last act in the war on drugs was to write a report summarizing his mission. In it, though taking pride in his skill and in the knowledge that he had done all he could, he challenged the willful optimism of Washington's assessment of progress in Bolivia. One would never guess that Merwin and his employers were talking about the same country.

The October, 1986, update of the State Department's International Narcotics Control Strategy report, in reference to coca-crop eradication, says that "Bolivia continues to postpone widescale coca eradication," but "plans [are] being finalized." Some ten months earlier, Ed Merwin wrote in his report, "Voluntary crop reduction and legal control of coca

will never work. There is too much corruption and inefficiency, and the problem is too staggeringly large to ever have such measures yield results."

The State Department report says that La Paz had decided to "emphasize interdiction and cocaine lab destruction." Merwin's report says, "There are simply no sanctions being applied against any but the lowest level of traffickers."

The State Department report says that the goal of the Bureau of International Narcotics Matters (INM) "of maintaining effective, simultaneous eradication programs in all narcotic source countries affecting the U.S. drug market is becoming a reality." Compare Ed Merwin's final report: "Our current level of effort is largely a waste of time and money."

Since Merwin's departure from Bolivia it appears to have been business as usual in Washington's war on drugs there. To be sure, last year the State Department withheld \$8.5 million of the total \$72.5 million in aid earmarked for Bolivia. Shortly thereafter the United States launched with great fanfare Operation Blast Furnace, a four-month effort in which 160 U.S. soldiers and civilians ferried the Bolivian Leopards on 256 visits to suspected cocaine labs. What was the end result of this "significant new initiative," as the State Department termed it? At its close the operation had led to the seizure and destruction of twenty-two coca-paste or cocaine-hydrochloride labs. Unfortunately, all of these were empty labs—in other words, all that was found was a few barrels of precursor chemicals, maybe a few kilos of leftover drug, and a few brightly colored plastic buckets. Significantly, not one trafficker was arrested.

Still, Washington insisted that Operation Blast Furnace had "disrupted cocaine trafficking in Bolivia." That was in October. But by December, according to *The New York Times*, narcotics experts and U.S. embassy officials in La Paz were conceding that "cocaine activities had picked up." The newspaper also reported that the Bolivian Planning Minister, Gonzalo Sánchez de Lozada, had claimed that Bolivia would "get out of the cocaine business in three years, if we can get the financing." That financing, he estimated, would be in the neighborhood of \$450 million, of which Bolivia, "with great sacrifice," could possibly bear 20 percent.

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In February, President Reagan certified to Congress that Bolivia has made progress in controlling narcotics trafficking, which means that the country will once again receive its full foreign-assistance allocation. However, the INM's 1987 Strategy Report says, "Optimism about the future must be tempered by the reality of what has actually occurred in Bolivia since 1980. 'Voluntary' eradication campaigns . . . have not worked. Far from reducing total hectareage, Bolivia's coca cultivation expanded during 1986 by at least 10 percent." And corruption is, if anything, getting worse. In late February, Interior Minister Fernando Barthelemy was sacked, following reports that he was receiving payoffs from coca traffickers.

"The only thing that will work," Merwin insists, "is force. I see it as a war. It's a threat to our national security at the same level as a military threat from another nation or a group of nations." His prescription is a blunt one: "Internationalize a strike force. Arrest the major traffickers. Put them in jails where they would stay. I would destroy their means of production, the millions of dollars' worth of chemicals that they have around their laboratories and factories. I would burn their houses down, is what I would do." How long would it take to cripple (albeit not eliminate) the cocaine trade in Bolivia if Washington and La Paz were really committed to it? I asked. "With up-to-date intelligence they could do it in a couple of weeks," Merwin said. "Maybe less."

—David Kline