

# **“How Drug Prohibition Finances and Otherwise Enables Terrorism”**

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## **Introduction**

Some terrorism costs relatively little to accomplish. Carrying out the September 11 attacks in the United States may have cost only a few million dollars.<sup>1</sup> However, many of the most feared forms of terrorism, the so-called weapons of mass destruction – biological, chemical and nuclear – can be very expensive to produce and deliver. For example, Aum Shinrikyo, a Japanese cult, put about 30 people and an estimated \$30m into producing the chemical sarin that was released in the Tokyo subway in 1995.<sup>2</sup> Profits from the production and sale of prohibited drugs can therefore be useful to terrorists planning these more expensive forms of terrorism.

Attempts by governments to limit the financing of terrorist organizations generally focus on two main themes:

eliminating sources of financing, and  
reducing the capacity of terrorists to keep and move and launder money about the globe.

This paper deals principally with the first theme – eliminating the sources of financing for terrorists. Specifically, it deals with drug prohibition as an important source of money for terrorism. **It explains how drug prohibition – not simply the drug trade, but rather the drug trade under a system of prohibition – has become a major, if not the major, source of funding for many terrorist groups.** It argues further that focusing on traditional measures to suppress the drug trade, including law enforcement, crop substitution and measures to

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<sup>1</sup> “Hard evidence would help,” *The Economist*, September 29, 2001.

<sup>2</sup> “Biological and chemical warfare: Fear and breathing,” *The Economist*, September 29, 2001.

reduce the movement and laundering of drug money, will fail to significantly reduce the flow of drug money to terrorists.

The analysis concludes that because these other methods of attacking the drug trade are ineffective – and cannot be made to be effective – governments must reconsider and, ultimately, dismantle prohibitionist drug laws. Refusing to address the role of prohibition in financing terrorism will enable terrorist groups to continue to build the resources they need to engage in even more extensive acts of terrorism than we have witnessed to date.

### **The Scope of the Problem: The Value of Illegal Drugs for Terrorist and Criminal Organizations**

(All figures quoted are in US dollars, unless otherwise indicated.)

In May 2001,<sup>3</sup> M. Alain Labrousse of the *Observatoire Geopolitique de Drogues (OGD)* in Paris appeared before this Committee to explain the links between drugs and terrorism. Terrorist organizations in almost 30 countries now finance their activities, to a greater or lesser extent, through the highly profitable trade in prohibited drugs. In particular, he explained how drug trafficking became increasingly important as a source of revenue for terrorist groups after the end of the Cold War. With the decline of state-sponsored terrorism, terrorist groups were forced to find other means to finance their activities. Where the agricultural climate permitted, this could mean drug production and sales. Even if the climate and terrain were not suitable for the production of drugs, terrorist groups could nonetheless reap enormous profits from the sale of prohibited drugs.

Said M. Labrousse, in a paper<sup>4</sup> accompanying his presentation to the Senate Committee:

Some [conflicts] . . . in Colombia, Afghanistan and Angola, were under way before the Cold War ended. The withdrawal of sister parties and powerful protectors not only made them less and less controllable, but also led some of the players to engage in mere predatory behaviour. In other cases, the collapse of Communist regimes caused new conflicts, in the former Yugoslavia, Azerbaidjan-Armenia, Georgia (Abkhazia, Ossetia), Chechnya and Tadjikistan. These conflicts, which resulted in a weakening, and in some instances dislocation, of states also led to the development of drug trafficking.

In 1994, Interpol's chief drugs officer, Iqbal Hussain Rizvi, told Reuters News Agency that "Drugs have taken over as the chief means of financing terrorism."<sup>5</sup>

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<sup>3</sup> M. Labrousse appeared before this Committee on May 28, 2001.

<sup>4</sup> Alain Labrousse, Contribution to the Preparatory Work for the Hague Peace Conference, May 11 - 16, 1999 (March 1999).

<sup>5</sup> Jawed Naqvi, Reuters (New Delhi), December 15, 1994.

Drugs have taken over as the chief means of financing terrorism.

Interpol's chief drugs officer, Iqbal Hussain Rizvi, 1994

In an interview shortly after the September 11, 2001, attacks in the United States, Mr. John Thompson of the Mackenzie Institute, a Canadian think tank studying terrorism and organized crime, suggested that the extent to which terrorist groups finance themselves through drugs varies widely. "With the Islamic fundamentalists, (it is) maybe 25 to 30 per cent. It's probably the single biggest money earner."<sup>6</sup>

One witness testifying in December 2000 before a US Congressional committee described the increasing reliance of Central Asian terrorist organizations on drug trade profits:

Central Asian criminal organizations have taken advantage of these unstable conditions [following the breakup of the Soviet Union] to become more active in such illegal activities as drug trafficking and other smuggling activities, while becoming ever more powerful. As a result of their domestic trafficking activities, drug dealers and other criminal organizations have developed transnational and international criminal connections, further spreading the flow of drugs and becoming increasingly involved in more serious criminal activity.

A significant part of the drug trafficking activity in the area is taking place in conjunction with terrorist activity.<sup>7</sup>

Another witness made a similar point:

Terrorists and criminals alike need a steady cash flow to operate. In the case of terrorists, where state sources of funding may be diminishing, drug trafficking is an attractive funding option. Increasingly, terrorist organizations are looking to criminal activity and specifically the drug trade as a source of funding. The FARC [the left-wing guerilla group in Colombia] is but one of many cases in point. It is estimated that drug trafficking activity generates between \$400 and \$600 million of tax free dollars a year for FARC guerrilla coffers.

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<sup>6</sup> "Terrorists get cash from drug trade: Trafficking prime source of funds for many groups", Ottawa Citizen, September 14, 2001.

<sup>7</sup> Ralf Mutschke, "The Threat Posed by the Convergence of Organized Crime, Drugs Trafficking and Terrorism", statement before a hearing of the US House of Representatives Committee on the Judiciary Subcommittee on Crime, December 13, 2000. Mr. Mutschke is the Assistant Director, Criminal Intelligence Directorate, International Criminal Police Organization - Interpol General Secretariat. Web site: <http://www.house.gov/judiciary/muts1213.htm>.

. . . Funded by drug trafficking, organizations can gain the resources, routes, and networks to engage in a whole series of other forms of criminal activity, *including illicit arms trading, possible proliferation of chemical and nuclear weapons* . . .<sup>8</sup> [emphasis added]

## The Value of the Global Trade in Illegal Drugs

The value of the global trade in illegal drugs is difficult to determine. However, the United Nations Office of Drug Control and Crime Prevention estimates that the retail value of the illegal market is \$400 billion *per year*, which would put it ahead of the petroleum industry. *The Economist* magazine suggests that global retail sales are less, probably around \$150 billion annually.<sup>9</sup> (In comparison, Canada's annual real gross domestic product for 2001 is about \$650 billion,<sup>10</sup> and the US Department of Defense budget request for 2001 was about \$290 billion.)<sup>11</sup>

Both the lower and higher estimates of the value of the global drug trade point to an enormously rich source of financing for criminal<sup>12</sup> and terrorist enterprises, amounting to hundreds of billions of dollars, possibly *more*, over the past few decades.

The enormity of the profits flowing from prohibition can be seen in an October 2001 news report about Afghanistan and Pakistan and their trade in opium and heroin:

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<sup>8</sup> Raphael F. Perl, "Organized Crime, Drug Trafficking, and Terrorism in a Changing Global Environment," Statement before the US House of Representatives Judiciary Committee, Subcommittee on Crime, December 13, 2000. Mr. Perl is a Specialist in International Affairs with the Foreign Affairs, Defense, and Trade Division, Congressional Research Service. Web site: <http://www.house.gov/judiciary/perl1213.htm>.

<sup>9</sup> "Survey: Illegal Drugs: Stumbling in the dark," *The Economist*, July 28, 2001.

<sup>10</sup> Source: Statistics Canada:  
<http://www.statcan.ca/english/Pgdb/Economy/Economic/econ05.htm> (accessed October 19, 2001).

<sup>11</sup> U.S. Department of Defense News Release, February 7, 2000, Budget for FY 2001, [http://www.defenselink.mil/news/Feb2000/b02072000\\_bt045-00.html](http://www.defenselink.mil/news/Feb2000/b02072000_bt045-00.html) (accessed October 19, 2001).

<sup>12</sup> Royal Canadian Mounted Police, Criminal Intelligence Directorate, *Drug Situation Canada - 1999* (March 2000). "Drug trafficking remains the principal source of revenue for most organized crime groups. In Canada, the drug trade has the potential to generate criminal proceeds in excess of \$4 billion at the wholesale level and of \$18 billion at the street level."

UN officials believe that 2,800 tonnes of opium, convertible into 280 tonnes of heroin, is in the hands of the Taliban, the al-Qaeda network of militant Islamists, and other Afghan and Pakistani drug lords.

On the wholesale market in Pakistan, this deadly harvest could be worth \$1.4 billion. On the streets of London and Milan, processed into white powder, its ultimate value is estimated by Interpol and UN officials at between \$40 billion and \$80 billion. To put these figures in context, the retail turnover of the European heroin trade is estimated at \$20 billion a year. UN officials say the current Afghan stockpile is enough to keep every addict in Europe supplied for three years. It is also enough to allow the Taliban and their allies to dominate the European, Russian and much of the Asian market for another two years, if they can retain control of the stockpile.<sup>13</sup>

The power that flows from this trade can be seen in the remarks of former Colombian High Court Judge Gomez Hurtado at an American drug policy conference in 1993:

Forget about drug deaths, and acquisitive crime, and addiction, and AIDS. All this pales into insignificance before the prospect facing the liberal societies of the West. The income of the drug barons is greater than the American defense budget. With this financial power they can suborn the institutions of the State and, if the State resists... they can purchase the firepower to outgun it. We are threatened with a return to the Dark Ages.<sup>14</sup>

Justice Hurtado may have been referring to the power to outgun smaller states such as Colombia. Perhaps terrorists and criminals cannot outgun the powerful states of the Western world but, as we have seen, they can certainly wreak havoc.

**Alliances between terrorist and criminal organizations:** Increasingly, terrorist and criminal organizations (the line between them is blurred at best) are forming allegiances where their interests coincide. Together, criminal and terrorist organizations form an even more serious threat to peace and stability. Neil Pollard, Director of the US-based Terrorism Research Center, describes the extent of this threat:

If terrorist interaction with transnational crime syndicates is successful enough – especially with narcotics traffickers – the infrastructures of these interactions might be robust enough to provide terrorists with real opportunities for WMD [weapons of mass destruction] proliferation, including the introduction of a

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<sup>13</sup> “Another powder trail”, *The Economist*, October 20, 2001.

<sup>14</sup> Mike Gray, *Drug Crazy: How We Got into this Mess & How We Can Get Out* (1998, Random House, New York) at 190.

weapon of mass destruction into the United States. The implications of such an infrastructure are obvious.<sup>15</sup>

### How Prohibition Makes Drugs So Profitable

It costs very little to grow poppies, the raw material for opium and heroin, or to grow coca leaf, the raw material for cocaine. Yet users pay greatly inflated prices for the heroin and cocaine – often several thousand percent more than their cost of production. The inflated price of these drugs is purely a product of the black market produced by prohibiting them.

**Without prohibition, these drugs would sell for much, much less. They would not present any significant opportunity for terrorist groups to profit from their production or sale.**

The United Nations Office for Drug Control and Crime Prevention reports on the value of many drugs at different stages of production and sales.<sup>16</sup> In Afghanistan, the world's largest producer of opium in the 1990s, the "farmgate" price of a kilogram of opium varied from \$30-70. That is 3 to 7¢ a gram. Thanks to prohibition, a gram is sold in Canada for an average \$39. That is from 550 to 1300 times the farmgate price.

Opium	
Farmgate price per gram (Afghanistan)	3 to 7¢
Retail price per gram (in Canada)	\$39.00
Multiple of retail to farmgate price	550 to 1300

**Heroin:** In Afghanistan, the wholesale price of heroin produced from opium was an average of \$2700 per kilo. In the United States, 40 percent pure heroin **wholesaled** for an average of \$107,000 per kilo -- about 40 times the wholesale price in Afghanistan. The same product

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<sup>15</sup> Neal A. Pollard, "Terrorism and Transnational Organized Crime: Implications of Convergence," (Terrorism Research Center). Web site: <http://www.terrorism.com/terrorism/crime.shtml>.

<sup>16</sup> Global Illicit Drug Trends, 2001, pp. 210-11.

**retailed** in the United States for an average \$475,000 per kilo – 175 times the wholesale price in Afghanistan.

<b>Heroin</b> (all figures in \$US)				
Wholesale price per kilo (Afghanistan: 1996)	\$	2,700		
Wholesale price per kilo (Western Europe: 1996)	\$	60,000	(22 times Afghan wholesale price)	
Wholesale price per kilo (US: 1999)	\$	107,000	(40 times Afghan wholesale price)	
Retail price per kilogram (US: 1999)	\$	475,000	(175 times Afghan wholesale price)	
Source: United Nations Office for Drug Control and Crime Prevention, Global Illicit Drug Trends, 2001				

**Cocaine:** The leaf needed to produce a kilo costs about \$400-600, according to Francisco Thoumi, author of an unpublished study of the Andean drugs industry. Says *The Economist* in a recent survey on illegal drugs, “by the time it leaves Colombia, the price has gone up to \$1,500-1,800. On America's streets, after changing hands four or five times, the retail price for a kilo of cocaine works out at \$110,000 [180 to 275 times the cost of the coca leaves], and in Europe substantially more.”<sup>17</sup>

*The Economist* notes that the “vast gap between the cost of producing the stuff and the price paid by the final consumer goes a long way to explaining why drugs policies so often fail.”<sup>18</sup>

### Missing the Point about the Relationship Between Drugs and Terrorism

The media, police, policymakers and politicians often describe the problem simply as the financing of terrorism through the drug trade. Their analysis stops there. **They ignore the role of drug prohibition. Prohibition alone is what makes the drug trade so profitable for terrorists.**

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<sup>17</sup> “Survey: Illegal Drugs: Big business,” *The Economist*, July 28, 2001.

<sup>18</sup> *Ibid.*

Even some members of the Supreme Court of Canada seem to have been caught in the trap of attributing various harms (corruption, disease, violence) to the drug trade itself, rather than looking to the prohibition of drugs as a cause of these harms. This is particularly evident in the dissenting opinion of Cory and Major JJ. in the 1998 decision, *Pushpanathan v. Minister of Citizenship and Immigration*:

The established links between organized crime, terrorist organizations, arms dealing and drug trafficking compound the risks to security in individual countries and in the international community. According to the United Nations International Drug Control Programme, “[i]n situations of armed conflict, illicit drug revenues -- or the drugs themselves -- are regularly exchanged for arms” (World Drug Report, supra, at p. 17). In some countries, such as Peru, trafficking organizations have formed alliances with guerrilla groups to ensure supplies of materials for processing (ibid., p. 128). The financial and military power of these organizations threatens to undermine the political and economic stability of numerous countries, and indeed the entire international community.

The combined effects of the trade in illicit drugs have led one author to conclude that drug profits “do more to corrupt social systems, damage economies and weaken moral and ethical values than the combined effects of all other forms of crime. . . . The corrupting reach into government officials, politicians and the business community further endangers the stability of societies and governmental processes, and ultimately threaten political stability and even world order” (Bassiouni, supra, at pp. 323-24).<sup>19</sup>

Further:

Drug trafficking has, throughout this century, been an international enterprise and hence an international problem. However, the ever increasing scale of the traffic, the apparent efficiency of organization and sophistication, the vast sums of money involved and the increasing links with transnational organized crime and terrorist organizations constitute a threat which is increasingly serious in both its nature and extent. Illicit drug trafficking now threatens peace and security at a national and international level. It affects the sovereignty of some states, the right of self-determination and democratic government, economic, social and political stability and the enjoyment of human rights.<sup>20</sup>

These statements are accurate in part, but they are also very misleading because of their silence on an essential point – the role of prohibition in creating the harms identified in the statements. **Nowhere do the two dissenting judges appear to recognize that the**

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<sup>19</sup> *Pushpanathan v. Canada (Minister of Citizenship and Immigration)*, [1998] 1 S.C.R. 982, paras. 104-05.

<sup>20</sup> *Ibid.*, para. 144.



**prohibition of drugs is behind the profits, power, violence and corruption associated with the drug trade.**

## **Beyond Financing Terrorism: Other Implications of Drug Prohibition for Terrorism**

### **a. Prohibitionist Foreign Policies That Foster Terrorism**

The pursuit of prohibitionist foreign policies can generate serious consequential harms in the countries where those policies are imposed – defoliation and other environmental harms due to crop eradication, adverse health consequences from the use of herbicides on drug crops, loss of livelihood for already desperately poor farmers. Because prohibition is often enforced selectively, production and trafficking by some ideologically favored groups is tolerated, enhancing their power. This enables them to brutalize<sup>21</sup> the population and destabilize otherwise democratic governments. Colombia is perhaps the best example. Both the left-wing guerrillas and the right-wing paramilitaries in Colombia are known to profit extensively from the trade in cocaine.<sup>22</sup>

Thus, prohibitionist policies both empower those domestic terrorist groups that are able to profit from the drug trade and often create other hardships within the countries on whom those policies are imposed. People undergoing such hardships can become hostile to the foreign powers that have encouraged these prohibitionist policies. This hostility can itself lead to violent acts, sometimes against Western interests and nationals abroad, and sometimes against them in their home countries.

### **b. Diversion of Resources**

Resources spent largely on drug law enforcement efforts (in the billions of dollars annually in the US alone, and smaller, though still significant sums in other countries, such as Canada) are not available for investigating and protecting against terrorism. This point was reinforced in a prophetic address by American Professor Arnold Trebach five years before the September 11, 2001, attacks in the US:

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<sup>21</sup> In October 2001, Human Rights Watch released an extensive report on the role of the right-wing paramilitaries in multiple massacres and other terrorist acts against civilians in Colombia: *The “Sixth Division:” Military-paramilitary Ties and U.S. Policy in Colombia*. Web site: <http://www.hrw.org/press/2001/10/sixthdivision.htm> (accessed October 21, 2001).

<sup>22</sup> For example, “The financing of the two main terrorist organizations operating in Colombia, namely the FARC and the National Liberation Army (ELN), originates from several sources, with the most important one being the drug trafficking:” “The Threat Posed by the Convergence of Organized Crime, Drugs Trafficking and Terrorism”, written testimony of Ralf Mutschke Assistant Director, Criminal Intelligence Directorate, International Criminal Police Organization - Interpol General Secretariat, before a hearing of the US House of Representatives Committee on the Judiciary Subcommittee on Crime, December 13, 2000.

All of us ... would be infinitely safer if the courageous efforts of antidrug agents in the U.S., Israel, and other countries were focused on terrorists aimed at blowing up airliners and skyscrapers than at drug traffickers seeking to sell the passengers and office dwellers cocaine and marijuana.<sup>23</sup>

Resources now used for drug law enforcement are also not available for foreign aid programs. Such programs might help prevent the desperation and disaffection that can breed terrorism.

### **Appropriate Responses and Solutions**

Traditional measures to suppress the production and trade in drugs – crop substitution, money laundering legislation, demand reduction (education and treatment), supply reduction (policing and crop eradication programs), will not stop the flow of drug money to terrorists.

For many reasons, programs of crop substitution – encouraging farmers to grow alternative crops – have largely failed to stop the cultivation of drugs. Crop eradication programs (including the use of herbicides on drug crops) have also failed. Drug production is mobile, and crops remain abundant.

Reducing the supply of drugs through policing is also a resounding failure. The United States, the most powerful nation on earth, has succeeded in stopping little more than ten percent of the drugs coming into the United States from abroad. The Associated Press reports that the goal of United States is to stop a mere 18 percent of the illegal drugs destined for its shores in 2002 – hardly an indication that policing has had or will have any appreciable impact on the drug trade or drug profits.<sup>24</sup>

On October 1, 2001, a representative from the Canada Customs and Revenue Agency suggested before a Commons committee that law enforcement was able to stop only about 10 percent of the \$C7billion to \$C10 billion annual trade in illegal drugs in Canada.<sup>25</sup> Money-laundering legislation also has limited potential. To date, money-laundering legislation has failed to stop or even seriously dent the flow of illicit funds to criminal and terrorist organizations.<sup>26</sup> Even the tougher money-laundering legislation now contemplated in

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<sup>23</sup> Address by Arnold S. Trebach, former President, The Drug Policy Foundation and Professor, The American University, Washington, D.C., Symposium on Drug Policy, Institute of Criminology, Hebrew University, Jerusalem, February 4, 1996.

<sup>24</sup> “Caribbean Drug Traffic up 25%, U.S. Says”, *Baltimore Sun*, October 18, 2001.

<sup>25</sup> House of Commons Special Committee on Non-Medical Use of Drugs, testimony of Mr. Mark Connolly, the Director General of Contraband and Intelligence Services Directorate, Customs Branch, Canada Customs and Revenue Agency, October 1, 2001.

<sup>26</sup> “Getting to them through their money,” *The Economist*, September 27, 2001: “Some money generated by criminal activities, notably drug trafficking, has been grabbed by the authorities.

several countries will not stop or seriously impair the flow of drug money. There will always be institutions to be corrupted. There will always be jurisdictions willing to look the other way for the sake of profit or to secure peace with powerful drug cartels or terrorist groups. Finally, many significant financial transactions do not occur through the traditional banking system and will be largely untouched by money-laundering legislation. *Hawala*, for example, the informal money-transfer system popular in the Middle East and South Asia, is based on trust. Huge sums of money can be moved without leaving a paper or electronic trail.<sup>27</sup>

Besides accomplishing little, these measures deflect attention from where attention is needed – the issue of prohibition. These measures may give the illusion of tackling the problem, but it is just that – an illusion. These measures merely nibble at the margins of the problem. The core of the problem remains the criminal prohibition of drugs.

There is no complete “solution” to the harms associated with drugs. However, dismantling prohibition will resolve or greatly diminish many of the harms, including trade-related violence, corruption, the spread of disease, the lack of quality control and the waste of scarce government resources. These prohibition-related harms have been explained in detail both before this Committee<sup>28</sup> and in an extensive body of literature. This literature points out the futility of prohibition, wholly apart from prohibition’s role in financing terrorism. Most recently, both Britain’s highly respected *The Economist* magazine and Canada’s Fraser Institute have produced analyses highlighting the futility of prohibitionist policies and the harms they cause.

## Conclusion

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The amounts, though, are tiny in comparison with all the world's illicit money. The International Monetary Fund reckons that the amount of dirty money being washed through the financial system is huge: between \$500 billion and \$1.5 trillion a year—equivalent to up to 5% of gross world product.”

<sup>27</sup> “The money trail”, *The Economist Global Agenda*, September 21, 2001.

<sup>28</sup> See, for example, the testimony before this Committee in 2000 and 2001 of Professors Line Beauchesne, Neil Boyd, John Morgan, Patricia Erickson, Peter Cohen, Bruce Alexander and the author of this analysis.

The events of September 11 have made it abundantly clear that we must do more than we have

We cannot maintain prohibition and yet still hope to deprive terrorist and criminal organizations of the profits associated with the drug trade. It is as simple as that.

Without prohibition, the drug trade would not be a factor in terrorism. Because of prohibition, the drug trade is perhaps the major source of financing of terrorism. We must decide which version of drug policy we want – one that fosters terrorism and enriches terrorists, or one that does not.

been doing to address the causes and mechanisms of terrorism. Relying on the same ideas, showing the same reluctance to look at the real impact of drug prohibition, will only continue to facilitate the terrorism that has rocked countries in other continents, and that may have just begun to rock our own.

Ending prohibition will not end terrorism. But it will remove one of the main,<sup>29</sup> and often the easiest, sources of funding for terrorism – the “cash cow” of the trade in prohibited drugs. This can be coupled with measures to attack other sources of funding for terrorists – greater vigilance about charitable donations and attempts to control extortion from members of expatriate communities.

American author Mike Gray states:

As Western civilization stands transfixed, paralyzed by the specter of twentieth-century Vandals devouring one country after another, it's important to remember that this particular impending catastrophe can be avoided with the stroke of the pen. The criminal enterprises that now encircle us... the powerful, ruthless combines that threaten to overwhelm the rule of law itself – all could be cut off by simply closing the black market money tap.... The prohibitionists have never been called to account for their part in this disaster....<sup>30</sup>

Gray's comments were directed primarily at how prohibition fosters the growth of criminal enterprises. Their logic applies equally to prohibition's role in financing terrorism.

We cannot maintain prohibition and yet still hope to deprive terrorist and criminal organizations of the profits associated with the drug trade. It is as simple as that.

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<sup>29</sup> The version of this paper presented to the Senate Committee contained a possible error. It referred to the drug trade under prohibition as the main source of financing for terrorism. There is no definitive proof that it is the main source, although it is clearly one of the major sources.

<sup>30</sup> Mike Gray, *Drug Crazy: How We Got into this Mess & How We Can Get Out* (1998, Random House, New York) at 190.

The only measure with any realistic hope of stopping the flow of drug-related money to terrorists is to dismantle drug prohibition. After decades of propaganda about the evils of drugs, ending prohibition seems an extraordinary and almost unthinkable solution. It is not. If Canada is serious about attacking the financing of terrorism, it must get serious about abandoning prohibition.

The efforts of this committee should be directed at the admittedly challenging task of dismantling prohibition. It is completely irrational and destructive to maintain prohibition while acknowledging that prohibition fosters the trade that is now the leading source of funding for many terrorist and criminal organizations.

As long as we continue to pretend – and it is only pretending – that significantly reducing drug profits through traditional, failed, measures of supply and demand reduction is a realistic possibility, we will continue to provide terrorists an alarmingly simple source of enrichment. Without prohibition, the drug trade would not be a factor in terrorism. Because of prohibition, the drug trade is perhaps the major source of financing of terrorism. We must decide which version of drug policy we want – one that fosters terrorism and enriches terrorists, or one that does not.

(This paper is also available online at [www.cfdp.ca/eoterror.htm](http://www.cfdp.ca/eoterror.htm))

**Other sources of information:**

1. **on drug policy generally:** Canadian Foundation for Drug Policy: [www.cfdp.ca/](http://www.cfdp.ca/)
1. **on terrorism and prohibition:** [www.cfdp.ca/terror.htm](http://www.cfdp.ca/terror.htm) (this page also has many links to other sites dealing with terrorism)

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