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Chairman

Subcommittee on National Security and Foreign Affairs

Committee on Oversight and Government Reform

U.S. House of Representatives

Hearing on “Transnational Drug Enterprises: Threats to Global Stability and U.S. National Security from Southwest Asia, Latin America, and West Africa”

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Good Morning. Today, the Subcommittee on National Security and Foreign Affairs turns its attention to a long-standing and growing threat to U.S. national security: the transnational illicit drug trade.

Illicit drugs from Mexico, Latin America, and the Caribbean are no strangers to our shores. The issue of illicit drugs is also no stranger to this Chamber of Congress either. In March of this year we held a hearing on “Money, Guns, and Drugs” to examine whether U.S. inputs were fueling drug-related violence on the U.S.-Mexico border. This Subcommittee has also held numerous hearings on Afghanistan – producer of 95% of the world’s poppy crop that forms the basis of the heroine trade.

Today’s hearing builds on this record. It raises a central question about the relationship between global illicit drug enterprises and their collective threat to our national security. The U.S. has had a geographic or country-specific drug control strategy ranging widely from the Balkan States of Eastern Europe to Colombia, Guatemala and Mexico, and more recently to West Africa. While each country’s conditions dictate a unique drug control strategy, today’s hearing examines some of the underlying trends and the related implications for U.S. national security.

There is compelling evidence that illicit drugs create enormous financial power that allows traffickers to corrode government institutions. Bribes undermine confidence in the very institutions we rely on to protect us as corruption reaches judges, prosecutors, police, and correctional officers. When bribes fail, traffickers use ruthless violence and unrelenting intimidation to expand their illegal enterprises.

Over time, bribes, violence, and intimidation take their toll – especially in weak states. The net effect of these assaults is to undermine a nation's rule of law, cripple its civic institutions, and reinforce the public's view that government is ineffective. The downward spiral of drug money, violence and intimidation, once it has begun, is difficult to reverse in weak states.

But this is just half the story. With a degraded or weakened rule of law environment, non-drug actors from the criminal world and their transnational counterparts step in and further exploit an unstable situation. While drug trafficking may be the most lucrative component of transnational crime, it is hardly the only line of business. Money-laundering, weapons trafficking, commercial espionage, human trafficking, smuggling, and piracy all flourish alongside illicit drug enterprises. Further declines in rule of law, public confidence, and national governance are the consequence.

The magnitude of money from illicit drugs can not be underestimated. The U.N. Office on Drugs and Crimes estimates that the global proceeds from illicit drugs range between \$100 billion to more than \$1 trillion dollars per year. Illicit drug money flows have been estimated to be the largest segment of the Afghan GDP – just over 50% in 2007. In West Africa's Guinea-Bissau, it has been reported that drugs and drug-related money is the single biggest slice of their GDP and growing.

Drug trafficking, wherever it thrives, presents a serious threat to the national sovereignty of the afflicted state. But it is the intersection of drugs with other illegal transnational threats – especially terrorism – that makes it so treacherous. This so-called drug-terror nexus links the monetary proceeds from drugs with filling the coffers of terrorist organizations like the FARC in Colombia, the Taliban in Afghanistan, and Al Qaeda in the Islamic Maghreb.

According to the latest U.S. intelligence, terrorist groups in more than a dozen countries across three continents are significantly bankrolled by illicit drug monies. According to the Drug Enforcement Administration, 19 of the 43 groups the U.S. designated as Foreign Terrorist Organizations in 2007 were involved in the drug trade or other criminal activities.

In addition, drug trafficking organizations' efforts to weaken or topple local governments significantly undermines our ability to achieve vital diplomatic, development, and economic assistance goals overseas. Threats from these groups not only test state stability but also undermine the goals of regional political bodies like the Organization of American States and boldly challenge international institutions like the United Nations.

At today's hearing we will learn from experts about the linkages between illicit drugs, weak states, and U.S. national security in the context of Latin America, Afghanistan, and West Africa. The Subcommittee plans to hold a second hearing with the relevant government agencies and departments to examine the U.S. national drug control strategy and the planned use of the nearly \$15 billion that has been requested this year.