

Colombian economy, although in the early 1990s Forbes Magazine suggested that some of the richest people on the planet were Colombian narcotraffickers, such as the late Pablo Escobar. In the late 1980s and early 1990s, the trade in Colombia was concentrated in the hands of a few 'cartels'. The death of Escobar in 1992 and the subsequent weakness of his Medellin cartel meant the strengthening of rival groups, especially the Cali cartel, from about 1992 to 1994-5. During that period, Cali boomed. But with the capture of leading Cartel figures in 1994-95, the city's huge but artificial economy collapsed, against the backdrop of a legitimate economy consisting almost solely of the depressed sugar cane market. The destitution and depression in Cali is obvious to any visitor in 1999 - and perhaps this 'before-and-after' story is the truest measure of how much the industry can be worth.

The incarceration and eventual murder of Pablo Escobar, as well as the incarceration of leading figures of the Cali Cartel, demonstrate another relevant phenomenon - the balloon effect, which we also observed in Mexico. When one kingpin or cartel goes down, others pop up to take their place. The industry in 1999 continues to boom - Colombia is growing more coca and opium poppies than ever. The trade is driven by the sheer logic of capital - a point that is often overlooked despite its centrality to neoliberal ideology. Rather than its concentration in a few 'cartels', the industry is now more dispersed.

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It is noteworthy that in 1999 Colombia has entered its worst depression since the 1930s, having avoided the economic perils felt by most of its neighbors in the mid-1980s. Low oil prices, record low prices in the mining and agricultural sectors, rising current account deficits, and greater spending on the part of the state since the 1991 Constitution, are all part of the puzzle. So, too, are the deflationary pressures emanating from the Brazilian crisis, as well as the escalating levels of violence and terror in Colombia which may deter existing or potential investors.

It is significant that the Chair of the New York Stock Exchange visited leaders of the