

THE HISTORY OF LICIT COCAINE IN THE NETHERLANDS**

BY

ANNEMARIE BOS*

Summary

This paper gives a description of the rise and fall of cocaine business in the Netherlands, between 1910 and 1930 when cocaine was a legal drug. When the anesthetic effects of cocaine were discovered demand for cocaine rose quickly. This made the production of coca leaves in the Dutch East Indies and the production of cocaine in the Netherlands a profitable business. However within the time span of two decades the introduction of synthetic replacements stimulated by international legislation to reduce drugs use caused the disappearance of the legal trade of coca and cocaine.

Key words: cocaine, Dutch East Indies, history

JEL Code(s): N43, N55

1 INTRODUCTION

From the 17th century onwards, the Dutch government was actively involved in the opium-trade in the Dutch East Indies. Opium was one of the most profitable trading items of the Dutch East Indies and contributed a great deal to government receipts. The increasing popularity of coca and cocaine in the late 19th century sparked the then new idea of planting coca in the Dutch East Indies and of exporting its leaf to the West. This turned out to be a major success by the beginning of the 20th century as the Netherlands became the largest producer of coca in the world. This situation ended in the late 1920s as the result of international treaties and national laws which restricted production severely (De Kort (1995) p. 42). Little is known about the early history of cocaine in the Netherlands when it was still a legal drug. Historical research on the topic only started recently. This paper describes the scarce literature on the history of coca and cocaine in the Netherlands and the Dutch East Indies and takes a look at some new sources.

* University of Amsterdam, Meer en Vaart 364-2, 1068 LH Amsterdam, The Netherlands, e-mail: annemariebos@hotmail.com

** This article is based on my University of Amsterdam Master thesis in Modern History entitled "Licit Dutch cocaine. The history of the branch of industry coca and cocaine in the Netherlands, 1883–1931".

2 THE DISCOVERY OF COCAINE

The German chemical scientist Albert Niemann was the first to identify cocaine in coca leaves. However, his discovery of 1860 largely remained unnoticed. The advent of cocaine into medical practice in 1884 is generally attributed to the Austrian physician Karl Koller. He discovered that cocaine could be used as a local anesthetic, which was a major step forward in surgery. Before his discovery, eye surgeries, e.g. were almost impossible and other forms of surgery could only be performed when the patient was knocked out completely. Hence, Koller's discovery was a breakthrough in medical practice. The reason why it took so long to discover the medical use of cocaine was closely related to the supply of coca leaves from South America. A few decades before Koller's discovery cocaine had been isolated from coca leaves, but this required large quantities of leaves which were not available. But at the time of Koller's discovery a steady supply of coca leaves from South America was provided through German botanists and experiments with cocaine could be carried out. After the medical use for cocaine was discovered the demand for cocaine as well as coca leaves rose dramatically (Karch (1998) pp. 37–40).

In the Netherlands, as in most European countries in the 19th century, self-medication and popular medicine played a major role in health care. Many of these medicines contained coca, cocaine or opium. Initially, specialized physicians also prescribed such medicines to their patients. Towards the end of the 19th century, however, this changed dramatically because of the development of scientific methods and systematic experimental research. Around 1900, medical doctors and psychiatrists began to point out the danger of addiction that medicines containing coca, cocaine or opium could bring about. This view was confirmed by the many reports about cocaine abuse in the 'decadent world capitals' like Paris, Berlin, London and New York (Bosman-Jelgersma (1983) p. 128). The risks associated with cocaine were thought to be substantially greater than with morphine. This changed the medical status of cocaine. Morphine remained one of the most commonly used drugs in medical practice, while in the 1920s and 1930s cocaine was replaced by synthetic products without addictive characteristics.

3 INTERNATIONAL LEGISLATION

From the Opium Commission of Shanghai in 1909 to the League of Nations conference of Geneva in 1931, international drug conferences resulted in restrictions on production and trade of opiates and other drugs. International arrangements meant controlled supply which seriously threatened coca cultivation in the Dutch East Indies. However, the Netherlands was by no means the sole country with interests in the production and trade of drugs. During international conferences, several European countries faced not

only humanitarian and moral considerations, but also had fiscal, trade and colonial policy concerns. The Europeans, unlike the Americans, had great difficulty with the proposed absolute restrictions on the production and trade of these drugs. The position of the American delegations was simpler and single-minded, and was mainly determined by economic and domestic considerations. The economic interest in the production of these drugs by the United States was limited, while domestic sentiments gave support for an international regulation of drugs. The Dutch were mainly concerned with safeguarding their own economic interests in production and trade of cocaine and opium; they had a great economic interest in opium trade. Ratification of the agreements of the International Opium Convention in the Hague in 1912 led to the Dutch Opium Act of 1919; forced upon the Netherlands by external pressure rather than domestic reasons of health policy. Despite much criticism on the American position, the Dutch could not stop the gradual movement towards restriction of the production and trade in cocaine after 1920. For the Dutch, the opium monopoly in the Dutch East Indies was economically more important than their interests in coca and cocaine. The opium monopoly was defended successfully, but the adverse impact of international limiting agreements on the production of coca and cocaine could not be halted.

In 1924 and 1925 the Geneva Conferences were organized by the newly founded League of Nations. The Americans, who were no official member of the League, favoured a reduction in the production of raw opium and coca leaf. The Netherlands opposed this view and proposed an alternative plan based on state monopoly. This plan was dismissed by the other countries. Instead a certificate system was introduced to regulate international traffic in drugs. All imported and exported drugs were to have a certificate from the relevant country showing that the drugs were for medical or scientific purposes. As a result of this system there was a sharp drop in the export of coca leaves at the end of the 1920s. Moreover, it became difficult for producers to trade cocaine other than for medical or scientific use. A second blow to cocaine production came a few years later with the Limitation Treaty of 1931. This treaty placed new production restrictions on manufacturing drugs. Despite serious objections, the Netherlands ratified the treaty for geopolitical reasons (Stein (1985) pp. 30–31, 64–65, 69–70).

4 COCA LEAF IN THE DUTCH EAST INDIES

At an early stage the Dutch investigated the possibility of growing the coca plant in the Dutch East Indies. This fits in the Dutch colonial style of trying to cultivate all kinds of tropical crops in the Dutch East Indies with local labour like kina, coffee, tea and rubber. In 1883 – a year before Karl Koller made his discoveries – coca plants were introduced in the Dutch East Indies and 3 years later commercial planting started. The coca introduced

in the Dutch East Indies was another species than the one that was grown in South America and initially it was difficult to extract cocaine from these leaves. However in the 1890s the German company Farbwerke developed a new extraction method especially for Java coca. This new but difficult process resulted in a substantial increase in the yield of cocaine from Java coca and soon it exceeded the supply from South American coca by almost twice the output. Until 1900, the sole customer for leaves of Java was this German company, which had the exclusive patent for the processing of Java coca into cocaine. The monopoly enabled the company Farbwerke to keep prices of coca leaves low. However, the prospects for the plantations on Java improved when in 1900 in cooperation with the Colonial Bank they established the *Nederlandsche Cocainefabriek* (Dutch Cocaine Factory). At the time the Netherlands had no patent law and consequently the extraction method could easily be copied. When the German patent expired in 1903, other German companies could also use the extraction method and soon the demand and purchase prices for leaf from Java rose dramatically.

The bulk of the coca was traded in Amsterdam at an auction house, but there were also direct shipments from Java to other countries. At the start of the 20th century, 100 Kg of leaves containing an average alkaloid percentage¹ was sold for 50 Dutch guilders. The cocaine that could be produced with this yielded 726 Dutch guilders, a substantial margin indeed. In 1911 the Dutch East Indies were world leader with a market share of 22 percent. World War I hurt the international

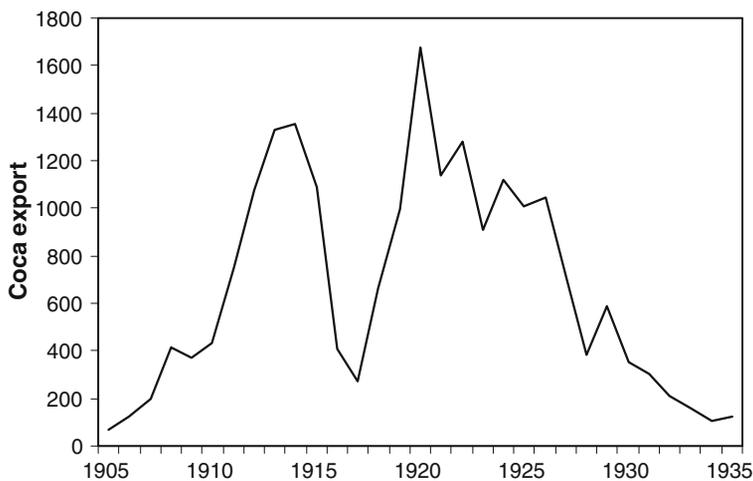


Figure 1 – Export of coca from Java in the period 1905–1935 (1000 kg)

(Source: Jaarverslagen Coca Producenten Vereeniging)

1 The alkaloid percentage of the coca leaf determines the yield of cocaine from this leaf.

coca trade. Not only was the transport to Europe more difficult, but the prices also dropped. By exporting their coca directly to other countries, such as the United States and Japan, planters tried to make up for their losses.

After World War I the Netherlands slowly lost its leading position in the trade and production of coca (Kort (1995), pp. 56–57). The number of plantations producing coca still increased from 72 in 1922 to 1996 in 1924. Figure 1 shows that the coca exports from Java after World War I were even higher than before the war. Because demand for coca and cocaine from medical practice declined the market prices and profits dropped and enormous stocks built up in the Amsterdam warehouses. Following the Geneva Convention of 1925, in 1928 the Netherlands established a certificate system for import and export of commodities like coca, cocaine and opium. Just before the introduction of this system, however, a million kilograms of coca leaves were rapidly sold and exported out of Amsterdam warehouses. The modest revival in 1928 was temporary. Soon stocks increased and sales fell, also due to the renewed competition with Peru coca leaf. In 1931, stocks in the Amsterdam warehouses were sufficient to provide all of Europe with cocaine for 5 years. More and more planters stopped producing Java coca and slowly but surely the Dutch coca trade died out.

5 COCAINE PRODUCTION IN THE NETHERLANDS

The largest and most important manufacturer of cocaine in the Netherlands was the *Nederlandsche Cocaïnefabriek*, established in 1900 at the Schinkelkade in Amsterdam.² Compared to the pharmaceutical plants in Germany, the Dutch Cocaine Factory was a small and specialized factory. Most of its foreign competitors were big pharmaceutical and highly diversified factories, which produced numerous other commodities beside cocaine. These companies could afford to spend a lot of money on marketing, whereas the Dutch Cocaine Factory only had a small marketing budget. However, because of its successful price-competition strategy, the Dutch Cocaine Factory was able to gain a growing market share.³

The company expanded rapidly in particular during World War I. Although the planters had a difficult time during World War I, the Dutch Cocaine Factory flourished. The demand for cocaine rose dramatically as a result of the war, while supply lines and rival factories were cut off by the war. The factory mainly produced for the international market with Japan and the United Kingdom as the biggest customers.⁴

2 Stukken betreffende de Nederlandsche Cocaïnefabriek, Archief N.V. Organon, Oss.

3 Brief G.H. Kramers aan W.G. van Wettum naar aanleiding brief 23-9-1929, correspondentie beperking verdoovende middelen, 2.05.21 Ministerie van Buitenlandse zaken A-dossiers, doos 1596, NA.

4 Stukken betreffende de Nederlandsche Cocaïnefabriek, Archiefdienst N.V. Organon, Oss.

The Dutch Cocaine Factory continued to play an important role in the production of cocaine throughout the 1920s. Nevertheless, due to the decreasing demand for cocaine and increased competition from foreign manufacturers the factory was forced to diversify and produce other mostly synthetic products. In 1921 it began with Novocain, which had been invented much earlier but became relevant after legal constraints were imposed on commercial cocaine.⁵ As time went by, the synthetic replacements for cocaine became more and more important and compensated for the shrinking demand for cocaine in the 1920s.

6 CONCLUSION

The history of licit cocaine in the Netherlands is rather unknown. In the early 20th century medical applications caused cocaine to become a booming industry. However, within the time span of two decades product innovation but also international legislation caused the rapid decline of the industry and disappearance of the legal trade of coca and cocaine.

REFERENCES

- Brief G.H. Kramers aan W.G. van Wettum naar aanleiding brief 23-9-1929, correspondentie beperking verdovende middelen, 2.05.21 Ministerie van Buitenlandse zaken A-dossiers, doos 1596, Nationaal Archief, Den Haag.
- Bosman-Jelgersma, H.A. (1983), *Poeders, Pillen en Patiënten: Apothekers en Hun Zorg Voor de Gezondheid Door De Eeuwen Heen*, Amsterdam, Sijthoff.
- Historisch overzicht van de NCF 26-11-1945, 2.20.04 Archief Cultuur-, Handel- en Industriebank; Koloniale Bank, doos 928, Nationaal Archief, Den Haag.
- Jaarverslagen Coca Producenten Vereniging, 2.20.04, Archief Cultuur-, Handels- en Industriebank; Koloniale Bank; Cultuurbank N.V, omslag 1643. Nationaal Archief, Den Haag.
- Karch, S.B. (1998), *A Brief History of Cocaine*, Boca Raton, CRC Press.
- Kort, M. de (1995), *Tussen Patiënt en Delinquent. Geschiedenis van het Nederlandse Drugsbeleid*, Hilversum, Verloren.
- Stein, S.D. (1985), *International Diplomacy, State Administrators and Narcotics Control. The Origins of a Social Problem*, Hampshire, Gower.
- Stukken betreffende de Nederlandsche Cocainefabriek, Archief N.V Organon, Oss.

5 Historisch overzicht van de NCF 26-11-1945', 2.20.04 Archief Cultuur-, Handel- en Industriebank; Koloniale Bank, doos 928, NA.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.