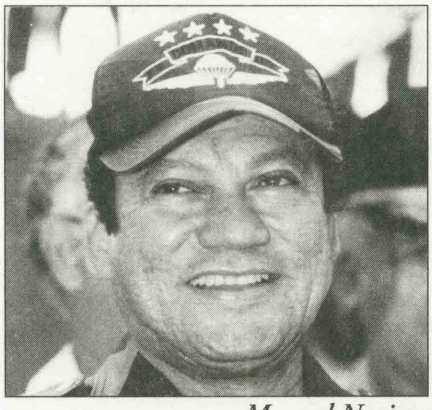
CONVERGENCE

The Christic Institute

Fall 1991 *One Dollar* *Washington, D.C.*

Special edition: war on drugs

INSIDE



Manuel Noriega

Covert operations, drug trafficking are closely linked

No industrialized country consumes more drugs than the United States. This special issue of *Convergence* examines one cause of the drug crisis: the historic relationship between United States intelligence agencies and the drug lords of Asia and Latin America.

Experts on the international drug trade argue in the following articles that the United States Government enlisted druglords to fight insurgencies and subsidize covert operations. These alliances were not exceptional. They have been repeated on almost every continent where the United States has been at war, from the poppy fields and heroin factories of Asia to the coca plantations of South America.

Successive Administrations have never officially admitted this relationship, and have almost never investigated or prosecuted those responsible. In case after case, drug producers and smugglers have escaped justice because they were protected by their special status as "intelligence assets." For this reason, no action has ever been taken against the Nicaraguan *contras* who smuggled cocaine into the United States on the same planes used to transport weapons to their bases in Central America.

In 1991 the Christic Institute, working with other religious and social-justice organizations, launched a campaign of research, education and action to seek the true "**Causes & Cures**" of the drug crisis. With support from Christians, Jews, Moslems, community organizers, scholars and drug-treatment professionals, this campaign recognizes that the Bush Administration's "War on Drugs"—like similar "wars" proclaimed by the Nixon and Reagan Administrations—has been a failure. Alternative policies that will effectively counteract the drug trade's legacy of suffering and violence will be found only if the true origins of the crisis are exposed. This issue of *Convergence* is a small contribution to that effort.

To learn more about **Causes & Cures**, please call our Organizing Department at (202) 797-8106, or write us at one of the addresses provided on page 2.

Christic Institute unites Americans for social change

Since 1980 the Christic Institute has won some of the most celebrated public-interest court cases of our time. The Institute's strategy combines public-interest law and progressive civic education in a unique model for social reform in the United States.

We commit our resources to investigations carefully selected for their potential to advance human rights, social justice and personal freedom—at home and abroad. The Institute is a nonprofit, tax-exempt, charitable organization.

The Christic Institute's daily work is grounded in the idea of social justice, an idea that is basic to many religions—old and new. Ours is a broadly pluralistic commitment to religious values and their proper place in American society.

The Institute's strategy combines **investigation**, **education** and **organizing**. Our goals:

■ to help grassroots activists and religious communities organize to protect the Constitution and secure justice and peace in our society.

■ to represent the victims of injustice before the courts and create a record of fact to show citizens that single cases of injustice are often symptomatic of deeper threats to the freedom of every American.

This strategy has proved a winning combination:

■ In *Silkwood v. Kerr-McGee*, the Institute organized a team of lawyers to represent the family of Karen Silkwood, an employee of the Kerr-McGee Nuclear Corporation who died in 1975. The case, decided in 1984 by the U.S. Supreme Court in the Institute's favor, established precedents in law that give citizens and states more power over the hazardous operations of nuclear corporations. The Institute proved in court that Kerr-McGee was responsible for Silkwood's contamination by radioactive plutonium, and forced the corporation to pay more than $1.3 million to her children.

■ After a death squad organized by the American Nazi Party and the Ku Klux Klan murdered several demonstrators in 1979 in **Greensboro, North Carolina**, the Institute won a verdict in Federal civil court against five of the assailants and two police officers. The verdict is one of the few decisions in a Southern court to date against law enforcement officials accused of collusion with Klan violence.

■ In 1989 Christic Institute South and the American Civil Liberties Union helped the black voters of **Keysville, Georgia**, win back the right to elect their town government, abolished by the town's white minority in 1933. Deprived of political power, the town's citizens had no sewers, water system, fire department or schools. Now the town is governed by its own elected council and mayor. □

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Drugs and covert ops: a brief history

From 1946 until present, C.I.A. helped druglords expand their markets

By ALFRED McCOY

Covert operations rely on alliances with drug smugglers. In 1972, Alfred McCoy documented this relationship in his groundbreaking study, The Politics of Heroin in Southeast Asia. *The C.I.A. attempted to prevent its publication, and it has since disappeared from most libraries. Now a professor of history at the University of Wisconsin, Madison, McCoy has expanded his study to include evidence from covert wars fought on almost every continent. Published by Lawrence Hill Books, to which the Christic Institute is grateful for permission to reproduce the following excerpt, this revision is titled,* The Politics of Heroin: C.I.A. Complicity in the Global Drug Trade. *For details on how to order Prof. McCoy's book and other resources on drugs and covert operations,* *please turn to page 15.*

AP/Wide World Photos

Crack house in New York City.

Few in official Washington are willing to discuss the imposition of controls over C.I.A. covert operations to ensure that the United States does not continue to protect drug lords. Over the past 40 years American and allied intelligence agencies have played a significant role in protecting and expanding the global drug traffic. C.I.A. covert operations in key drug-producing areas have repeatedly restrained or blocked D.E.A. efforts to deal with the problem. *[The D.E.A., or Drug Enforcement Administration, is the nation's chief law enforcement agency in the war on drugs.]*

The list of governments whose clandestine services have had close relations with major narcotics traffickers is surprisingly long—Nationalist China, Imperial Japan, Gaullist France, French Indochina, the Kingdom of Thailand, Pakistan and the United States. Instead of reducing or repressing the drug supply most clandestine agencies seem to regulate traffic by protecting favored dealers and eliminating their rivals.

Indeed, if we review the history of postwar drug traffic, we can see repeated coincidence between C.I.A. covert action assets and major drug dealers. During the 1950s the C.I.A. worked with the Corsican syndicates of Marseilles to restrain communist influence on the city's docks, thereby strengthening the criminal milieu at a time when it was becoming America's leading heroin supplier. Simultaneously, the C.I.A. installed Nationalist Chinese irregulars in northern Burma and provided them with the logistic support that they used to transform the country's Shan states into the world's largest opium producer.

During the 1960s the C.I.A.'s secret war in Laos required alliances with the Hmong tribe, the country's leading opium growers, and various national political leaders who soon became major heroin manufacturers. Although Burma's increased opium harvest of the 1950s supplied only regional markets, Laos' heroin production in the late 1960s was directed at U.S. troops fighting in South Vietnam. Constrained by local political realities, the C.I.A. lent its air logistics to opium transport and did little to slow Laotian heroin shipments to South Vietnam.

When U.S. troops withdrew from Vietnam in the early 1970s, Southeast Asian heroin followed the GIs home, capturing one-third of the U.S. drug market in the mid-70s. After protracted complicity in the marketing of opium and heroin, the C.I.A. emerged from Laos with an entire generation of clandestine cadres experienced in using narcotics to support covert operations.

During the 1980s, the C.I.A.'s two main covert action operations became interwoven with the global narcotics trade. The agency's support for Afghan guerrillas through Pakistan coincided with the emergence of southern Asia as the major heroin supplier for the European and American markets. Although the United States maintained a substantial force of D.E.A. agents in Islamabad during the 1980s, the unit was restrained by U.S. national security imperatives and did almost nothing to slow Pakistan's booming heroin exports to America.

Similarly, C.I.A. support for the Nicaraguan *contras* has sparked sustained allegations, yet unconfirmed, of the agency's complicity in the Caribbean cocaine trade. Significantly, many of the C.I.A. covert warriors named in the *contra* operation had substantial experience in the Laotian secret war.

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HISTORY

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Surveying C.I.A. complicity in the narcotics trade over the past four decades produces several conclusions. First, agency alliances with Third World drug brokers have, at several key points, amplified the scale of the global drug traffic, linking new production areas to the world market. Protected by their C.I.A. allies, these drug brokers have been allowed a de facto immunity from investigation during a critical period of vulnerability while they are forging new market linkages. Of equal importance, the apparent level of C.I.A. complicity has increased, indicating a growing tolerance for narcotics as an informal weapon in the arsenal of covert warfare. Over the past 20 years, the C.I.A. has moved from transport of raw opium in the remote areas of Laos to apparent complicity in the bulk transport of pure cocaine directly into the United States or the mass manufacture of heroin for the U.S. market. Finally, America's drug epidemics have been fueled by narcotics supplied from areas of major C.I.A. operations, while periods of reduced heroin use coincide with the absence of C.I.A. activity.

In effect, American drug policy has been crippled by a contradiction between D.E.A. attempts to arrest major traffickers and C.I.A. protection for many of the world's drug lords. This contradiction between covert operations and drug enforcement, seen most recently during Pakistan's heroin boom of the 1980s, has recurred repeatedly. The C.I.A.'s protected covert action assets have included Marseille's Corsican criminals, Nationalist Chinese opium warlords, the Thai military's opium overlord, Laotian heroin merchants, Afghan heroin manufacturers, and Pakistan's leading drug lords.

> ***"I am absolutely convinced that we have . . . had various branches of our government—C.I.A., etc.—who have operated, who have worked with drug traffickers for various geopolitical reasons, etc. That is absolutely intolerable."***
>
> **Senator Alphonse D'Amato, Republican of New York**

Although there are problems in many C.I.A. divisions, complicity with the drug lords seems limited to the agency's covert operation units. In broad terms, the C.I.A. engages in two types of clandestine work: espionage, the collection of information about present and future events; and covert action, the attempt to use extralegal means—assassination, destabilization or secret warfare—to somehow influence the outcome of those events. In the cold war crisis of 1947, the national security act that established the C.I.A. contained a single clause allowing the new agency to perform "other functions and duties" that the president might direct—in effect, creating the legal authority for the C.I.A.'s covert operatives to break the law in pursuit of their objectives. From this vague clause has sprung the entire C.I.A. covert action ethos and the radical pragmatism that have encouraged repeated alliances with drug lords over the past four decades.

With the demise of the cold war in 1989-1990, it might now be possible to impose some controls over the C.I.A. A small reform of the national security legislation would close down the C.I.A.'s covert action apparatus, which is no longer necessary, without weakening the agency's main intelligence-gathering capabilities. Regulation of the C.I.A.'s covert operations might thus deny some future drug lord the political protection he needs to flood America with heroin or cocaine. □

RACISM

■ *Continued from page 13*

Our motivation for writing this book was personal and political. Like many other people we know, Dennis and I have lost (and are losing) family members and friends due to drug addiction, the violence associated with drug trafficking or AIDS contracted through intravenous drug use. We have also seen relatives and friends go to jail and have the fabric of their lives destroyed as illegal drugs have taken over their lives. Finally, we have watched with frustration and anger as legal drugs, particularly tobacco and alcohol, have also slowly killed our loved ones.

This book is an effort to put into a historic and political context the relationship between drugs and racism. Drug trafficking and abuse have crossed all class, race, gender and national boundaries and is a society-wide and global problem. But this is a problem with a distinct racial edge. What is cast as a *problem* in the white community is, in fact, a *crisis* in communities of color. The survival and healthy development of a whole generation of black youth and community is at stake. A pivotal step in grasping the breadth and depth of the problem, and solutions to it, is understanding illegal and legal drugs in the African American community within a specific historic context. Our aim, however, is to do more than just set the historic record straight. The most important goal of this book is to empower the reader with the data and analysis in order to intellectually and politically strengthen the work of those struggling to end the harm of the drug crisis in our nation and our world. □

Noriega: our man in Panama

U.S. Administration turned blind eye to Noriega's drug deals

By PETER DALE SCOTT and JONATHAN MARSHALL

Cocaine Politics: Drugs, Armies and the C.I.A. in Central America *is the title of a new study published by the University of California Press. Prof. Peter Dale Scott of the University of California, Berkeley, and Jonathan Marshall, economics editor of the* San Francisco Chronicle, *use official documents as well as interviews with Government officials, journalists, mercenaries and drug traffickers to show that the current response to the drug crisis in this country overlooks Washington's own contribution to the problem. During the war against the Nicaraguan Sandinistas, significant elements within the* contras *trafficked extensively in cocaine, supplying much of the North American market while the C.I.A., National Security Council and Justice Department ignored the evidence. In the following excerpt Scott and Marshall trace the history of the United States' relationship with former Panamanian dictator Manuel Noriega. For information on how to purchase this book from the Christic Institute, please turn to page 15.*

General Manuel Noriega.

Regional influences, both political and criminal, fueled the explosive growth of drug trafficking through Honduras in the early 1980s. In 1980 and 1981, for example, the head of military intelligence in Panama, Col. Manuel Noriega, teamed up with his counterpart at the head of the Honduran G-2, Colonel Torres, to smuggle first arms (on behalf of Marxist rebels in El Salvador) and then drugs.

Noriega's malign influence spread to Costa Rica as well. A Costa Rican legislative commission concluded in 1989 that Noriega helped install in that country at least seven pilots who ran guns to the *contras* and drugs to North America. "More serious still," it added, "is the obvious infiltration of international gangs into Costa Rica that made use of the [*contra*] organization. These requests for *contra* help were initiated by Colonel [Oliver] North to General Noriega. They opened a gate so their henchmen utilized the national territory for trafficking in arms and drugs."

As that finding suggests, Noriega's reach extended far beyond Central America to Washington. Indeed, his relationship with U.S. intelligence helps account both for his own longstanding immunity from American law enforcement and for his ability to promote corrupt elements of the *contra* support movement.

Noriega was first recruited as an agent by the U.S. Defense Intelligence Agency in 1959, while still a young military cadet studying in Peru. He went on the C.I.A.'s payroll in 1967. The next year, a military coup assisted by the U.S. Army's 470th Military Intelligence Group gave Noriega his opportunity to take charge of Panama's own G-2. His new job made him a priceless source for the American services, which used Panama as a listening post for much of Latin America.

Before long, however, Washington discovered its protegé's criminal bent. As early as May 1971 the Bureau of Narcotics and Dangerous Drugs (B.N.D.D.) heard serious allegations of Noriega's involvement in trafficking. A former chief of staff to Gen. Omar Torrijos, Panama's military ruler, settled in Miami after botching a coup attempt. He revealed to U.S. authorities that Noriega had "overall operational control" of the officially sanctioned narcotics trade in Panama. The B.N.D.D. actually amassed enough evidence to indict him in a major marijuana smuggling case, only to run up against practical objections from the U.S. Attorney's office in Miami: No one in those days could imagine invading Panama to bring a senior officer to justice.

Intent on negotiating a new Panama Canal treaty, however, the State Department put other foreign policy objectives ahead of law enforcement and persuaded B.N.D.D. to back off. A long honeymoon began—and Panama's economy boomed under the stimulus of drug dollars attracted to its modern and secretive banking sector.

By 1976, Noriega was fully forgiven. C.I.A. Director George Bush arranged to pay Noriega $110,000 a year for his services, put the Panamanian up as a house guest of his deputy C.I.A. director, and helped to prevent an embarrassing prosecution of several American soldiers who had delivered highly classified U.S. intelligence secrets to Noriega's men.

Noriega earned his pay. He supplied pilots who helped

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NORIEGA

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smuggle weapons to the *contra* leader Edén Pastora. In July 1984, he contributed $100,000 to *contra* leaders based in Costa Rica. In March 1985, Noriega helped Oliver North plan and carry out a major sabotage raid in Managua, using the services of a British mercenary. In 1985, responding to pleas from Casey, he promised to help train *contra* units and let them use Panama as a transit point. In September 1986, North met Noriega in London; the two discussed further sabotage against Nicaraguan economic targets, including an oil refinery, an airport, and the electric and telephone systems. North's diary indicated that Noriega offered the aid of skilled (probably Israeli) commandos, including one who "killed head of PLO in Brt [Beirut]." The two men also considered setting up a school for commandos that could "train experts" in such matters as "booby traps," "night ops" and "raids."

Noriega also allowed members of North's enterprise to set up Panamanian corporate fronts to disguise the financing of *contra* supplies. As noted in Chapter 1, one such front, Amalgamated Commercial Enterprises, used the services of the drug-linked Banco de Iberoamerica. A related dummy company, which did business with the same bank, purchased arms for the *contras* through Manzer al-Kassar, the Syrian arms and drug broker, who also dealt with leaders of the Medellín cartel. Noriega's personal lawyer and business representative in Geneva also set up a front to establish an airfield in Costa Rica for supplying the *contras.*

Helped obstruct investigation

Evidence gathered by Costa Rican authorities suggests that Noriega's intelligence operatives also helped the C.I.A. and its allies in the Costa Rican security services obstruct the investigation of an assassination attempt against Pastora by peddling disinformation about the main suspect's background. The bombing of Pastora's press conference at La Penca on May 30, 1984, which killed several journalists and an aide to Pastora but missed the rebel leader himself, was most likely planned by hardliners in the *contra* movement close to the C.I.A., according to an official Costa Rican probe. The Noriega connection to the La Penca coverup is significant since, according to Floyd Carlton, his former friend and drug partner, "there are some officers who are connected to the intelligence services of Costa Rica which to a certain extent are the creation of General Noriega. They have been trained in Panama . . . and these people keep a certain . . . loyalty to General Noriega."

None of these allegations apparently made any impression on Vice President George Bush, coordinator of the Reagan administration's War on Drugs. Bush claimed during the 1988 presidential campaign to have known little or nothing of Noriega's narcotics dealings. Perhaps he was kept in the dark by his top drug aide, Adm. Daniel Murphy, who declared in September 1988, "I never saw any intelligence suggesting General Noriega's involvement in the drug trade. In fact, we always held up Panama as the model in terms of cooperation with the United States in the war on drugs."

Never turned over files

The political intrigues that first attracted the Administration to Noriega and ultimately repelled it will take years to uncover fully. The C.I.A. never turned over its files on Noriega to Federal prosecutors. The National Security Council ordered agencies to refuse congressional requests for information that would illuminate the policy debates. However, it seems clear that official approval of Noriega's indictment and subsequent military capture had as much to do with politics as with law enforcement. After June 1986 media revelations about Noriega, an interagency meeting of senior Administration policy makers decided to "put Noriega on the shelf" until Nicaragua was settled. After Noriega's indictment in early 1988, one State Department official commented: "We don't know anything today about Tony Noriega that we didn't know a year ago. What's changed is politics and Panama, not Tony Noriega." And as the *New York Times* observed (almost four years to the day after it branded him Central America's leading criminal), Noriega's alleged drug dealing was "relatively small scale by Latin American standards. . . American officials strongly suspect high-ranking military officers in Honduras, Guatemala and El Salvador of similar, and in some cases even greater involvement in drug dealing—yet have not taken harsh action against them."

Perhaps the most striking evidence of a political double standard was the silence of the Bush Administration on the composition of the post invasion regime. The U.S.-installed president of Panama, Guillermo Endara, had been a director and secretary of Banco Interoceanico, targeted by the F.B.I. and D.E.A. and named by Floyd Carlton as a major front for laundering Colombian drug money. The bank reportedly served both the Cali and Medellín cartels. Endara's business partner Carlos Eleta, who reportedly laundered C.I.A. funds into Endara's presidential campaign in the spring of 1989, was arrested in April of that year in Georgia for allegedly conspiring to import more than half a ton of cocaine into the United States each month. Prosecutors dropped the indictment following the invasion, citing lack of evidence.

Washington issued no public protest when Endara appointed to the key posts of attorney general, treasury minister and chief justice of the supreme court three former directors of First Interamericas Bank, an institution controlled by the Cali cartel and used to wash its drug money. Panamanian authorities took over the bank in 1985 and liquidated its assets—an action hailed by U.S. authorities as the government's first major action against a money-laundering operation. Noriega's move against the bank may have been less then altruistic, however; a lawyer for the Cali interest complained that Noriega made a practice of turning in rivals of the Medellín cartel. □

The contra-cocaine connection

Drugs were shipped through contra bases, investigations show

By ANDY LANG

The use of drug profits to finance the *contra* war against Nicaragua was confirmed in April 1989 by the Senate Foreign Relations subcommittee on narcotics and terrorism.

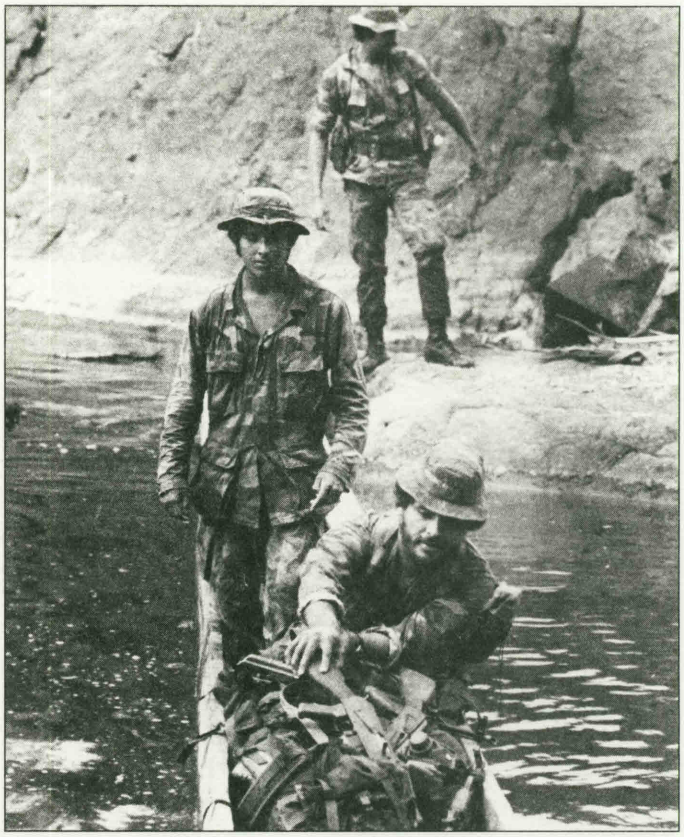
The subcommittee, chaired by Sen. John F. Kerry of Massachusetts, found "substantial evidence" of *contra* drug trafficking. Through a web of business relationships with Latin American drug cartels, the *contras* were supplied with "cash, weapons, planes, pilots, air supply services and other materials," the subcommittee said. Even worse, senior officials in the Reagan-Bush Administration knew about the *contra*-cocaine connection, but took no steps to shut down drug smuggling operations on *contra* bases. Instead, the Administration protected known drug traffickers from investigation and exposure.

The subcommittee's findings corroborated one of the key charges made by the Christic Institute in May 1986 when it filed *Avirgan v. Hull*, a lawsuit alleging that drug shipments were smuggled through *contra* bases at the height of the secret war to topple the Nicaraguan Government. Among the lawsuit's 29 defendants was alleged drug trafficker John Hull, a United States businessman whose ranch in northern Costa Rica was used as a staging area for cocaine flights to the United States. Hull, who served as the Central Intelligence Agency's liaison with *contra* forces in Costa Rica, figured prominently in the subcommittee's report.

"The Colombian drug cartels which control the cocaine industry constitute an unprecedented threat . . . to the national security of the United States," the report said. "Well-armed and operating from secure foreign havens, the cartels are responsible for thousands of murders and drug-related deaths in the United States each year. They exact enormous costs in terms of violence, lower economic productivity and misery across the nation."

But "U.S. officials involved in Central America failed to address the drug issue for fear of jeopardizing the war effort against Nicaragua," the subcommittee reported. "There was substantial evidence of drug smuggling through the war zones on the part of individual *contras*, *contra* suppliers, *contra* pilots, mercenaries who worked with the *contras*, and *contra* supporters throughout the region."

The subcommittee concluded that senior officials in the Reagan-Bush Administration, including Lt. Col. Oliver North of the National Security Council staff, knew that the *contras* were shipping drugs into the United States, but took no action. Although the Federal Bureau of Investigation had "significant information regarding the involvement of narcotics traffickers in *contra* operations," the Justice Department "was adamantly denying that there was any substance to the narcotics allegations."



AP/Wide World Photos

Contra guerrillas in 1989. The price we paid for United States intervention in Central America was the creation of new cocaine smuggling routes through contra bases.

"The logic of having drug money pay for the pressing needs of the *contras* appealed to a number of people who became involved in the covert war," the subcommittee said. "Indeed, senior U.S. policy makers were not immune to the idea that drug money was a perfect solution to the *contras*' funding problems."

The Administration not only ignored reported links between the *contras* and drug traffickers, but allocated more than $800,000 to four companies controlled by traffickers, the subcommittee said. The money was part of a fund set aside by Congress for "humanitarian aid" to the *contras*.

One of the companies, a seafood shipping firm called Frigorificos de Punterenas, was identified in *Avirgan v. Hull* as a front for drug smugglers. The Administration paid $261,000 to the firm, the report said.

Other "humanitarian" grants included $317,000 to Vortex, an air cargo company whose executive vice president was the target of three F.B.I. drug investigations when

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CONTRAS

■ *Continued from page 7*

the State Department handed over the money.The Administration also gave $186,000 to SETCO, a shipping firm controlled by a billionaire druglord now serving a life sentence in a Federal prison for the torture-murder of a D.E.A. agent.

Although the report's language reportedly was watered down as the result of compromises demanded by Bush Administration supporters on the subcommittee, the panel nevertheless found that the war against Nicaragua—the Administration's obsession in Central America at the time—"contributed to weakening an already inadequate law enforcement capability in the region which was exploited easily by a variety of mercenaries, pilots and others involved in drug smuggling."

The report confirms the Christic Institute lawsuit's charge that John Hull served as "a liaison between the *contras* and the United States Government" and cites evidence that drugs were smuggled through his ranch in Costa Rica. According to eyewitness testimony, weapons destined for the *contras* were flown in small planes to the ranch. The planes were then refuelled and returned to the United States with cargoes of cocaine. On at least two occasions, according to the testimony, Hull was present while bags of cocaine were transferred to the planes.

The report describes successful efforts by United States Embassy officials in Costa Rica to frustrate an investigation by the U.S. attorney in Miami into Hull's activities.

The report was weak or indecisive in some key areas, according to Christic Institute investigators. The subcommittee, for example, was unable to "find that *contra* leaders personally were involved in drug trafficking," despite references in Oliver North's files to allegations of drug running against at least three leading personalities in the *contra* movement. Although the subcommittee examines in some detail the transfer of United States Government "humanitarian aid" for the *contras* to companies controlled by convicted or suspected drug smugglers, the panel was "unable to determine who selected these firms to provide services to the *contras.*" In 1987, however, *Avirgan* defendant Rob Owen told Christic Institute attorneys in a sworn deposition that he had chosen one of these companies, Ocean Hunter, as a conduit for "humanitarian aid" because "the people involved in Ocean Hunter in Costa Rica had been helpful to the cause." Owen was Oliver North's emissary to the *contras.* The report does not mention Owen's knowledge of the company, or his $50,000 State Department contract to supervise other payments of Government aid.

Nevertheless, the Kerry report was the strongest official confirmation that the Reagan-Bush Administration's obsession with the "communist threat" in Central America undermined the Government's strategy against one of the most serious threats to our national security in decades: the epidemic of drugs and drug-related violence in our cities and schools.

Other evidence—including sworn depositions taken by Christic Institute's attorneys, the findings of state prosecutors in Costa Rica and testimony in Federal drug trials—leaves little doubt that the *contras*, like other insurgent armies created by the Central Intelligence Agency since the 1940s, were deeply compromised by the drug trade. Here is a brief review of some of the evidence:

■ In a sworn statement taken by Christic Institute attorneys, drug pilot Gary Wayne Betzner testified that he flew two planeloads of *contra* weapons to John Hull's ranch in Costa Rica. On both occasions, he said, about 500 kilograms of cocaine were transferred to his plane under Hull's supervision for the return flight to the United States. Betzner confirmed this evidence during his testimony at an April 1990 drug trial in Tulsa: "In July 1984, I

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Your tax dollars at work: State Department payments to known drug traffickers

During the war in Central America the State Department paid out funds allocated by Congress for *contra* "humanitarian aid" to a number of firms controlled by known drug traffickers. Here is the list:

$317,425.17	**to Vortex. When the State Department decided to subsidize this company, its executive vice president was facing a drug trafficking indictment in Detroit and was the target of three F.B.I. drug investigations.**
$261,930.00	**to Frigorificos de Punterenas, a drug trafficking and money laundering enterprise used to smuggle cocaine on shrimp boats from Costa Rica to Miami.**
$185,924.25	**to SETCO, controlled by a billionaire druglord now serving a life sentence in a Federal prison for the torture-murder of a D.E.A. agent.**
$41,120.90	**to DIACSA, according to F.B.I. affidavits a headquarters for cocaine trafficking and money laundering.**
$806,402.32	**TOTAL "humanitarian aid" paid to firms controlled by narcotics traffickers.**

Source: Senate Foreign Relations subcommittee on narcotics, terrorism and international organizations, April 13, 1989.

Rise of the Golden Triangle

C.I.A. was 'present at the creation' of postwar heroin markets

By JONATHAN MARSHALL

United States covert operatives collaborate with drug traffickers when an obsession with an enemy overwhelms moral considerations. In Southeast Asia during the 1960s the enemies were communist insurgents in Laos, Cambodia and South Vietnam. This was the root cause of the relationship between intelligence agents and Gen. Vang Pao's drug-smuggling guerrilla army in the Laotian highlands. But United States support for the Southeast Asian drug market dates back to the end of World War II, says journalist Jonathan Marshall in Drug Wars: Corruption, Counterinsurgency and Covert Operations in the Third World. *This book, published in 1991 by Cohan and Cohen, is available from the Christic Institute. Please turn to page 15 for information on how to order.*

AP/Wide World Photos

The C.I.A. helped establish the heroin market in Southeast Asia's "Golden Triangle," one of the richest opium-growing regions in the world.

The C.I.A. was "present at the creation" of most of the major post-World War II drug production centers and trafficking syndicates. Its material support and political protection nurtured the great heroin and cocaine empires whose power today rivals that of many governments. Without critical American aid they might have remained limited, regional gangs; with it, they forged truly international production and smuggling networks. . . .

[The C.I.A. helped establish the heroin market in the] "Golden Triangle," the mountainous border region of Laos, Burma, Thailand and China's Yunnan Province where opium poppies grow in astonishing abundance.

During World War II, in China as in Sicily, the O.S.S. [Office of Strategic Services: the World War II predecessor of the C.I.A.] and Navy worked closely with gangster elements who controlled vast supplies of opium, morphine and heroin. The boss of this trade, a longstanding ally of Nationalist leader Chiang Kai-shek, directed his enormous army of followers to cooperate closely with American intelligence—though his patriotism did not stop him from trading with the Japanese.

His heroin empire folded after the victory of the Chinese Communist revolution in 1949. But a new emerged after Nationalist (K.M.T.) forces under the command of General Li Mi fled from Yunnan into the wild Shan states of eastern Burma. By 1951, if not earlier, they began receiving arms, ammunition and other supplies via C.I.A. airlift to facilitate their abortive efforts to rekindle an anticommunist resistance in China.

Repelled from China with heavy loses, the K.M.T. settled down with the local population to organize and expand the lucrative opium trade from Burma and northern Thailand. In this endeavor, they continued to enjoy support both from the C.I.A. and its "assets" in the Thai military and police, who convoyed the drugs to Thai ports. By 1972, the K.M.T. controlled fully 80 percent of the Golden Triangle's enormous opium trade.

The C.I.A.'s relationship to these drug merchants—and to corrupt Laotian, Thai and Vietnamese political and military leaders—attracted little attention until the early 1970s. As early as 1966, however, Harrison Salisbury noted the rise of heroin production in the region and added:

"There are skeptics who feel that not a few recipients of the bounty of U.S. aid and the C.I.A. may have a deeper interest in the opium business than in the Communist business. In the center of the whole trade is a hardy band of Chinese Nationalist troops who were flown to China's Yunnan province border years ago in one of the early C.I.A. operations . . . . They have managed to turn a pretty penny in poppies."

In 1970, a correspondent for the *Christian Science Monitor* reported: "Clearly the C.I.A. is cognizant of, if not party to, the extensive movement of opium out of Laos. One charter pilot told me that 'friendly' opium shipments get special C.I.A. clearance and monitoring on their flights southward out of the country." A California congressman

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TRIANGLE

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even charged that "clandestine yet unofficial operations of the United States Government could be aiding and abetting heroin traffic here at home." And not just at home: By the end of 1970, 30,000 American servicemen in Vietnam were addicted to heroin.

But the full story did not break until 1972, when Yale University doctoral candidate Alfred McCoy published his trailblazing study, *The Politics of Heroin in Southeast Asia.* The C.I.A.'s efforts to quash the book brought McCoy's exposé national publicity and only strengthened his thesis: that Cold War politics and American covert operations had fostered a heroin boom in the Golden Triangle.

The scandal touched off by McCoy's book produced not only blanket official denials, but also contradictory assurances that Washington's priorities had changed since President Nixon declared his "war on drugs." The evidence strongly suggest otherwise.

Based on privileged access to D.E.A. sources, reporter Elaine Shannon has observed:

"After the fall of South Vietnam, the C.I.A. and the National Security Agency expanded their facilities in Bangkok and Chiang Mai in northern Thailand to monitor military and political activity in Vietnam, Laos, Southern China and northern Burma. The smugglers were natural allies. D.E.A. agents who served in Southeast Asia in the late 1970s and 1980s said they frequently discovered that they were tracking heroin smugglers who were on the C.I.A. payroll."

One of those smugglers may have been Lu Hsu-shui, considered one of the top four heroin dealers in the entire Golden Triangle. He reportedly got his start in business "trading opium for gold with K.M.T. remnants in northern Thailand." The C.I.A. shut down the D.E.A.'s investigation of him, claiming it had to use the drug agency's key informant "in a high-level, sensitive national security operation."

In 1973, U.S. authorities arrested a Thai national, Puttaporn Khramkhruan, in connection with the seizure of 59 pounds of opium in Chicago. The C.I.A. quashed the case, according to a Justice Department memorandum, lest it "prove embarrassing because of Mr. Khramkhruan's involvement with the C.I.A. activities in Thailand, Burma, and elsewhere." Khramkhruan, a former officer in the K.M.T.'s dope-smuggling army, served the Agency as an informant on narcotics trafficking in northern Thailand and claimed the C.I.A. had full knowledge of his actions. When the story later leaked, Sen. Charles Percy commented: "Apparently C.I.A. agents are untouchable—however serious their crime or however much harm is done to society. Last year [1974] we learned that the President of the United States himself is not above the law. Yet apparently C.I.A. agents are untouchable."

Perhaps the biggest fish of all to escape was Thai General Kriangsak Chamanand, who helped lead a particularly bloody military coup in 1976 and then took power himself in another coup in 1977. Kriangsak, a graduate of the National Defense University in the United States, had served as a "key link" in C.I.A. covert operations during the Vietnam War, including the use of Thai mercenaries to fight the "secret war" in Laos.

Publicly, American drug agents gave Kriangsak a clean bill of health. But author James Mills, who had access to D.E.A. files, states:

"Kriangsak himself is named in classified intelligence reports (and by other sources as well) as the direct recipient of secret cash payoffs from leaders of armed groups controlling opium traffic in the mountains of Thailand and Burma. . . . These groups include at least three [K.M.T.] rebel armies with past or present clandestine support of the American C.I.A.."

Southeast Asia is hardly the only theater where drug smugglers turned up as protected C.I.A. "assets." In the early 1970s, the C.I.A. immunized Latin American smugglers in no fewer than 27 federal drug cases. Such outcomes were not mere bad luck. A former D.E.A. operations chief recalls that, starting with C.I.A. Directors William Colby and George Bush, the agency regularly poached from both the D.E.A.'s pool of informants and investigative targets. "When the D.E.A. arrested these drug traffickers," he stated, "they used the C.I.A. as protection and because of their C.I.A. involvement they were released. This amounted to a license to traffic for life because even if they were arrested in the future, they could demand classified documents about their prior C.I.A. involvement and would have to be let go. The C.I.A. knew full well that their assets were drug traffickers." □

CONTRAS

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took the guns, weapons and explosives down and took the cocaine back."

■ Michael Tolliver, a pilot and drug smuggler, told Christic Institute attorneys under oath that he flew several loads of drugs from various points in Latin America into the United States under the protection of the Drug Enforcement Administration, including at least two trips to Honduras and Costa Rica where he delivered weapons for the *contras* and took on drug cargoes for the return flight to the United States. Tolliver also testified that in March 1986 he flew a shipment of 25,000 pounds of marijuana from Honduras to Homestead Air Force base in florida.

■ George Morales, a convicted drug smuggler, told the Christic Institute in a sworn deposition that he donated approximately $5 million in drug money to the *contras* in 1984 and 1985. According to Morales, the payment was the result of a deal proposed by three *contra* leaders a few months after his indictment on drug charges: they would "take care" of his legal problems in return for financial and logistical support. Pilots employed by Morales were later enlisted in the guns-for-drugs operation, flying weapons to *contra* bases and returning to the United States with drug

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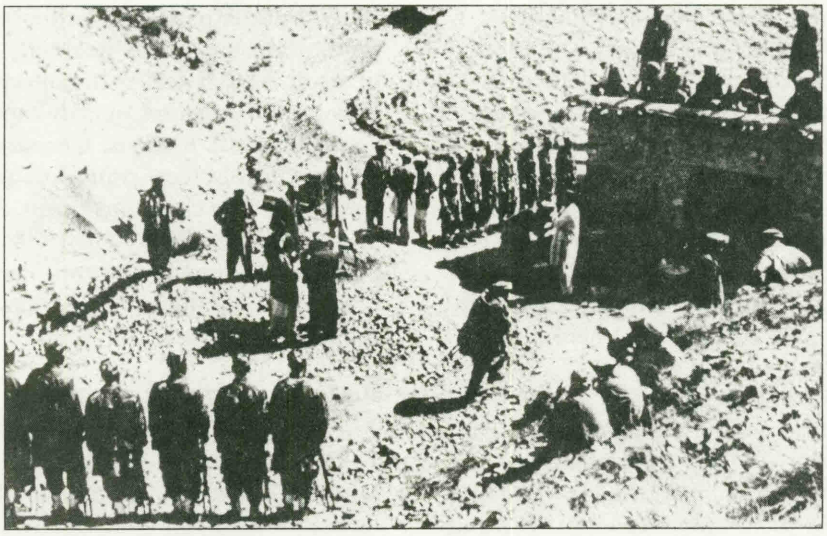
The Afghanistan drug lords

Administration subsidized growing drug industry in Southwest Asia

By ALFRED McCOY

In April 1979, eight months before the Soviet invasion of Afghanistan, the Carter Administration began to support the fundamentalist Islamic resistance. The program accelerated rapidly under President Reagan. In The Politics of Heroin, *Prof. McCoy traces the explosive growth of the Afghan heroin industry under C.I.A. patronage. Afghanistan now ranks in second place as a supplier of heroin for the North American market, and heroin use is expanding in the United States.*
Please turn to page 15 for information on how you can order this book.



AP/Wide World Photos

Afghan* mujaheddin *stand guard outside a hillside bunker. Opium exports from* mujaheddin*-controlled poppy fields flooded the heroin markets of Southwest Asia and the United States during the 1980s.

During the ten years of C.I.A. covert support for the *mujaheddin* resistance, U.S. government and media sources were silent about the involvement of leading Afghan guerrillas and Pakistan military in the heroin traffic. As the covert operation wound down after the Soviet withdrawal from Afghanistan in February 1989, the U.S. media began probing the scandal, gradually gathering enough data for a detailed portrait of the closed relationship between the *mujaheddin* resistance and the region's heroin trade.

[In May 1979] at Peshawar in Pakistan's North-West Frontier province, a C.I.A. special envoy first met Afghan resistance leaders, all carefully selected by Pakistan's I.S.I. [Inter Service Intelligence]. Instead of arranging a meeting with a broad spectrum of resistance leaders, I.S.I. offered the C.I.A.'s envoy an alliance with its own Afghan client, Gulbuddin Hekmatyar, leader of the small *Hezbi-i Islami* guerrilla group. The C.I.A. accepted the offer and, over the next decade, gave more than half its covert aid to Hekmatyar's guerrillas.

It was, as the U.S. Congress would find a decade later, a dismal decision. Unlike the later resistance leaders who commanded strong popular followings inside Afghanistan, Hekmatyar led a guerrilla force that was a creature of the Pakistan military. After the C.I.A. built his *Hezbi-i Islami* into the largest Afghan guerrilla force, Hekmatyar would prove himself brutal and corrupt. Not only did he command the largest guerrilla army, but Hekmatyar would use it—with the full support of I.S.I. and the tacit tolerance of the C.I.A.—to become Afghanistan's leading drug lord.

An Islamic militant and former engineering student, Hekmatyar had founded the Muslim Brotherhood and had led student demonstrations in Kabul during the late 1960s to oppose the king's secular reforms. According to a later *New York Times* report, in the early 1970s "he had dispatched followers to throw vials of acid into the faces of women students who refused to wear veils." Accused of murdering a leftist student in 1972, Hekmatyar fled into Pakistan's North-West Frontier where, as a member of Pushtun tribes that straddle the border, he was able to continue his political work. Living in Peshawar, Hekmatyar allied himself with Pakistan's *Jamaat-i Islami* (Party of Islam), a fundamentalist and quasi-fascist Muslim group with many followers inside the Pakistani officer corps.

C.I.A. Director William Casey gained direct access to General Zia [ul-Haq, then Pakistan's military dictator] and found himself warmly received during his regular visits to Islamabad. Unique in a region where the official attitude toward America ranged from the hateful to the hostile, Zia allowed the C.I.A. to open an electronic intelligence station facing the Soviet Union in northern Pakistan and permitted U.S. spy flights over the Indian Ocean from his air bases near the Persian Gulf.

Aside from the $3 billion in U.S. aid, the Pakistan military gained control over distribution of the $2 billion in covert aid that the C.I.A. shipped to the Afghan guerrillas during the ten-year war. For General Zia's loyalists within the military, these contracts were a source of vast wealth.

At an operational level, General Zia's military loyalists controlled the delivery of the C.I.A.'s covert arms shipments when they arrived in Pakistan. Once the arms landed at the port of Karachi in the south, the Pakistan army's National Logistics Cell, acting under orders from the I.S.I., trucked them north to military cantonments

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around Peshawar and from there to the Afghan guerrilla camps in the North-West Frontier. The governor of this critical borderland province was Lieutenant-General Fazle Huq, President Zia's closest confidant and the de facto overlord of the *mujaheddin* guerrillas. Even as the ranks of the resistance swelled after 1981, the I.S.I. insisted on maintaining the dominance of the "pre-1978 nucleus," that is Hekmatyar, and continued to deliver more than half of all arms to his *Hezbi-i Islami* guerrillas. Although Pakistan allowed formation of a few additional groups to accommodate prestigious Afghan exiles, I.S.I. still insisted that Hekmatyar be given the bulk of C.I.A. arms shipments.

Hekmatyar's heroin trade

As the Cold War confrontation wound down, the international press finally broke its decade of silence to reveal the involvement of the Afghan resistance and Pakistani military in the region's heroin trade. In May 1990, for example, the *Washington Post* published a page one article charging that the United States had failed to take action against Pakistan's heroin dealers "because of its desire not to offend a strategic ally, Pakistan's military establishment." The *Post* article said that U.S. officials had ignored Afghan complaints of heroin trafficking by Hekmatyar and the I.S.I., an allegation that at least one senior American official confirmed. Specifically, the *Post* reported that "Hekmatyar commanders close to I.S.I. run laboratories in southwest Pakistan" and "I.S.I. cooperates in heroin operations."

As the I.S.I.'s *mujaheddin* clients used their new C.I.A. munitions to capture prime agricultural areas inside Afghanistan during the early 1980's, the guerrillas urged their peasant supporters to grow poppies, thereby doubling the country's opium harvest to 575 tons between 1982 and 1983. Once these *mujaheddin* elements brought the opium across the border, they sold it to Pakistani heroin refiners who operated under the protection of General Fazle Huq, governor of the North-West Frontier province. By 1988, there were an estimated 100 to 200 heroin refineries in the province's Khyber district alone. Trucks from the Pakistan army's National Logistics Cell (N.L.C.), arriving with C.I.A. arms from Karachi, often returned loaded with heroin—protected by I.S.I. papers from police search. "The drug is carried in N.L.C. trucks, which come sealed from the [North-West Frontier] and are never checked by the police," reported the *Herald* of Pakistan in September 1985.

Writing in *The Nation* three years later, Lawrence Lifschultz cited numerous police sources charging that General Fazle Huq, General Zia's intimate, was the primary protector of the thriving heroin industry in the North-West Frontier province. Lifschultz said that General Huq "had been implicated in narcotics reports reaching Interpol" as early as 1982.

Both European and Pakistani police claimed that all investigations of the province's major heroin syndicates had "been aborted at the highest level." With 17 agents assigned to the U.S. Embassy in Islamabad, the D.E.A. compiled detailed reports identifying "40 significant narcotics syndicates in Pakistan." Despite the high quality of D.E.A. intelligence, not a single major syndicate was investigated by Pakistani police for nearly a decade. Farther south in the Koh-i-Soltan district of Pakistan's Baluchistan province, Hekmatyar himself controlled six heroin refineries that processed the large opium harvest from Afghanistan's fertile Helmand valley. Describing the corruption of the Pakistani military, I.S.I. included, the local Baluchistan governor, Mohammad Akbar Khan Bugti, a tribal nationalist often critical of Islamabad, said: "They deliver drugs under their own bayonets."

The heroin boom was so large and uncontrolled that drug abuse swept Pakistan itself in the early 1980s, leaving it with one of the world's largest addict populations. In the late 1970s Pakistan did not have a significant heroin abuse problem. When the region's political upheavals of 1979 blocked the usual shipment of Afghan and Pakistani opium westward to Iran, traffickers in Pakistan's North-West Frontier perfected heroin-refining skills to reduce their mounting opium stockpiles. Operating without fear of arrest, heroin dealers began exporting their product to Europe and America, quickly capturing more than 50 percent of both markets. Unrestrained by any form of police controls, local smugglers also shipped heroin to Pakistan's own cities and towns. Addiction rose to 5,000 users in 1980 to 70,000 in 1983, and then, in the words of Pakistan's Narcotics Control Board, went " completely out of hand," exploding to more than 1.3 million addicts in less than three years.

Restoration of civilian rule

The blatant official corruption continued until August 1988 when General Zia's death in an air crash brought an eventual restoration of civilian rule. Typical of the misinformation that had blocked any U.S. action against Pakistan's heroin trade, the State Department's semiannual narcotics review in September called General Zia "a strong supporter of anti-narcotics activities in Pakistan" and speculated that his death might slow the fight against drugs. Instead of fighting drugs, General Zia's regime had of course protected the country's leading heroin dealers.

Soon after assuming office through open elections, Prime Minister Benazir Bhutto, by contrast, declared war on the country's drug lords by dismissing two of I.S.I.'s top military administrators and creating a new ministry to attack the drug trade.

Despite Prime Minister Bhutto's good intentions, the outlook for an effective attack on Pakistan's highly developed heroin industry seemed bleak. After ten years of unchecked growth under General Zia, the country's drug trade was now too well entrenched in the country's politics and economy for simple police action. Conservative economists estimated the total annual earnings from Pakistan's heroin trade were $8 billion to $10 billion, far larger than Pakistan's government budget and equal to

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Racism and the 'war on drugs'

Economic destruction underlying cause of drug demand

By CLARENCE LUSANE and DENNIS DESMOND

Although African-Americans and other people of color in the United States comprise less than 15 percent of all drug users, their communities are hurt the most by the drug epidemic and the Administration's failed policies. The following is an excerpt from Pipe Dream Blues: Racism and the War on Drugs *by Clarence Lusane and Dennis Desmond, published by South End Press. The authors examine the racism of the Bush Administration's "War on Drugs." For information on how to order this book, please turn to page 15.*

The dreams of thousands of African Americans are rapidly going up in smoke. The twisted curls of smoke emanating from pipes filled with crack, heroin, PCP, ice and other deadly substances symbolize the blurred nightmares that are strangling community after community. While blacks and other people of color in the United States comprise less than 15 percent of all drug users, the damage and havoc caused by substance abuse and by the destructive impact of the Federal Government's drug war is felt much more deeply in those communities. An F.B.I. study notes the fact that while blacks represent only 12 percent of all illegal drug users, blacks are 41 percent of all those arrested on cocaine and heroin charges.

From the jungles of Bolivia to the high plains of Laos, from the dingy and rank basements of the inner cities and rural America to the executive suites of the largest U.S. corporations, from the White House and beyond, the drug crisis has linked tens of millions across the globe.
The national and international illegal drug crisis is both rooted in and the expression of deeply troubled economic, political and social relations. As this crisis of race, class and global politics unfolds, the battle against illegal drugs has taken on a character not unlike the religious crusades of medieval Europe.

The U.S. Government's war on drugs, at best, obscures all of these relationships and, at worse, perpetuates them. The potential long-term harm of the drug war is not that it won't end illegal and deadly drug trafficking and abuse. The real danger is that it will mask the brutal social realities that must be addressed if suffering and destruction caused by the drug crisis is to stop.

The Government, in engaging its drug war at home and abroad, has aimed its weapons overwhelmingly at people of color. Despite the fact that the majority of users and traffickers are white, blacks, Latinos and third world people are suffering the worst excesses of a program that violates civil rights, human rights and national sovereignty.

The economic and political policies of the United States, particularly during Ronald Reagan's Presidency, fettered the opportunities for advancement for millions around the world and in the United States. Reagan was determined to halt the development of progressive Governments in Nicaragua and Grenada with anticommunist, promilitarist foreign policy initiatives. His program was funded by the shift of Federal dollars from sorely needed social programs to the military budget and, perhaps more disastrous, by massive, unprecedented deficit spending.

The U.S. Government uses the drug war to obscure the collusion of U.S. intelligence agencies with major international trafficking networks. In the past, anticommunist foreign policy aims have served as justification for the C.I.A. and other agencies to knowingly allow traffickers to import illegal drugs into the United States. One critical question that has been conspicuously avoided by the Bush Administration and the media monopolies is, has the C.I.A. escalated the drug crisis in the United States by assisting the efforts of known drug traffickers?

The end of the Cold War has meant a shift in foreign policy rhetoric. The new international enemy of humankind has been transformed from a communist to a drug dealer/terrorist or narco-terrorist. Although new enemy images are being created, the ends have remained the same. Opening up and protecting markets for U.S. corporations and waging low-intensity/high-death military and political campaigns against third world liberation movements continue to be the *real* reasons for U.S. intervention abroad. This is perhaps nowhere as clear as in the Persian Gulf conflict. What Iraq did to Kuwait in 1990 with tanks and guns, the United States is doing to the rest of the world with dollars, computers and mass media (along with tanks and guns).

In this milieu of economic destruction, public corruption, ideological dogmatism, international aggression and shameless discrimination, it's easy to see why social disintegration is escalating. Concern for values of community that only a few years ago would have prevented or limited the invasion of drugs into many black, Latino, and poor neighborhoods has been increasingly replaced by survival-driven individualism and materialism.

Rather than initiate a desperately needed Marshall Plan to eliminate poverty, the Bush Administration has continued to escalate the U.S. war on drugs. Bush's declaration of war on users and dealers threatens their civil liberties and has had virtually no impact on the roots of the drug problem, either internationally or domestically. Mass waves of police actions against street sales into inner city communities have moved drug markets indoors. Drug sales and use in the suites and board rooms of America's large and small corporations have remained effectively untouched. The decline in casual use has been matched by a larger and more intractable addiction population disproportionately located in communities of color.

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one-quarter of its entire gross domestic product. With so much heroin money flowing into the country, Pakistan's commentators were concerned that the country's politics would take on a Colombian cast, that is, that the drug lords would start using money and arms to influence the nation's leaders.

Indeed, the first signs were not long in coming. Facing a no-confidence motion from the National Assembly in late 1989, Prime Minister Bhutto charged that "drug money was being used to destabilize her government." When she claimed that heroin dealers had paid 194 million rupees for votes against her, many observers found the allegations credible. Moreover, the heavily armed tribal populations of the North-West Frontier province were determined to defend their opium harvest. Police pistols would prove ineffective against tribal arsenals that now included automatic assault rifles, anti-aircraft guns and rocket launchers. "The government cannot stop us from growing poppy," one angry tribal farmer told a foreign correspondent in 1989. "We are one force, and united, and if they come with their planes we will shoot them down."

Expanded opium production

As foreign aid declined in 1989, Afghan leaders expanded opium production to sustain their guerrilla armies. The Soviet withdrawal in February 1989 and a slackening in C.I.A. support produced a scramble among rival *mujaheddin* commanders for Afghanistan's prime opium land, particularly in the fertile Helmand valley of southern Afghanistan. During most of the war, the local commander Mullah Nasim Akhundzada had controlled the best-irrigated lands in the northern Helmand valley, once the breadbasket of Afghanistan, and decreed that half of all peasant holdings would be planted with opium. A ruthless leader and Hekmatyar's bitter enemy, Mullah Nasim issued opium quotas to every landowner and maintained his control by killing or castrating those who defied his directives. Known as the "King of Heroin," he controlled most of the 250 tons of opium grown in Helmand province. Visitors to Helmand during this period spoke "in awestruck tones of the beauty of the poppies which stretch mile after mile." In early 1986 *New York Times* correspondent Arthur Bonner spent a month traveling in Helmand, where he found extensive poppy fields in every village and town. "We must grow and sell opium to fight our holy war against the Russian nonbelievers," explained Mullah Nasim's elder brother Mohammed Rasul.

The *mujaheddin* leader's admission contradicted the assurances that the U.S. embassy in Islamabad had been giving about the Afghan drug trade. Typical of its disinformation on the subject, just two months before, the embassy had issued a formal denial that Afghan guerrillas "have been involved in narcotics activities as a matter of policy to finance their operations."

By early 1990 the C.I.A.'s Afghan operation had proved doubly disastrous. After ten years of covert operations at a cost of $2 billion, America was left with *mujaheddin* warlords whose skill as drug dealers exceeded their competence as military commanders. In 1989, as the cold war ended and the Bush Administration's war on drugs began, Afghan leaders like the opium warlord Hekmatyar had become a diplomatic embarrassment for the United States.

Main currency of trade

In mountain ranges along the southern rim of Asia—whether in Afghanistan, Burma, or Laos—opium is the main currency of external trade and thus is a key source of political power. Since agency operations involve alliances with local power brokers who serve as the C.I.A.'s commanders, the agency, perhaps unwillingly or unwittingly, has repeatedly found its covert operations enmeshed with Asia's heroin trade. By investing a local ally such as Hekmatyar or Vang Pao with the authority of its alliance, the C.I.A. draws the ally under the mantle of its protection. So armed, a tribal leader, now less vulnerable to arrest and prosecution, can use his American alliance to expand his share of the local opium trade. Once the C.I.A. has invested its prestige in one of these opium warlords, it cannot afford to compromise a major covert action with drug investigations. Respecting the national security imperatives of C.I.A. operations, the D.E.A. keeps its distance from agency assets, even when they are major drug lords. During the ten years of the Afghan war, some seventeen D.E.A. agents sat in the U.S. embassy at Islamabad watching—without making a major arrest or seizure—as the flood of Afghan-Pakistan heroin captured 60 percent of the U.S. drug market. □

CONTRAS

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cargoes. At a Federal trial in April 1990, Colombian drug pilot Ernesto Carrasco confirmed Morales' relationship with the *contras*. He testified that he saw Morales pay more than $1 million in drug profits to *contra* leader Adolfo "Popo" Chamorro at a florida restaurant in 1985.

Did Oliver North and other senior officials in the Reagan-Bush Administration know that drug traffickers were using *contra* bases as assembly areas for drug flights into the United States? The public record shows that they did and, moreover, that the Administration intervened to protect drug traffickers from investigation and prosecution.

■ A message to Oliver North from U.S. Ambassador to Costa Rica Lewis Tambs, dated March 28, 1986, includes a notation that contra drug leader "'Popo' Chamorro is alleged to be involved in drug trafficking."

■ An April 1, 1985 memo from Rob Owen to Oliver North describes one Costa Rican rebel leader, Jose Robelo Chepon, with the words "potential involvement in drug running." Another *contra* leader, Sebastian Gonzalez Wachan, was "now involved in drug running out of Panama," according to Owen.

■ During an Aug. 9, 1985 meeting with Owen, North

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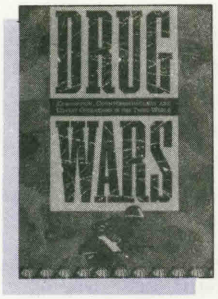

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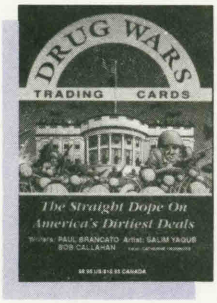

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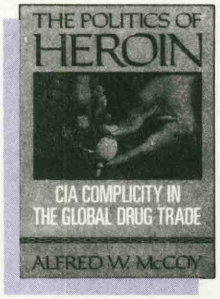

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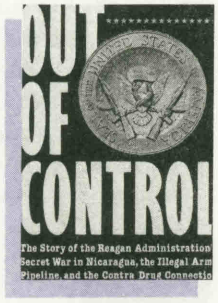

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CONTRAS

■ *Continued from page 14*

wrote in his notebook, "DC-6 which is being used for runs [to supply the *contras*] out of New Orleans is probably being used for drug runs into the U.S." In a Feb. 10, 1986 memorandum Owen informed North that another *contra* plane, a DC-4, was "used at one time to run drugs, and part of the crew had criminal records." "Nice group the Boys [the C.I.A.] chose," Owen added.

North and his gun-running enterprise took no action to discourage the use of the *contra* supply infrastructure by the drug trade. But the White House was more active when law-enforcement officials threatened to expose the traffickers. In one case, North interfered with a D.E.A. investigation of an airstrip in Santa Elena, Costa Rica, which served both North's arms smugglers and *contra* drug traffickers. On Jan. 20, 1986, North wrote in his office notebook that "DEA will be briefed to leave hands off [of the Santa Elena airstrip]."

The immunity from investigation that protected North's pilots during their gun-running flights to Central America also protected them when they returned to United States airspace with drug cargoes. In April 1987 the *Boston Globe* reported that between 50 and 100 flights "arranged by the C.I.A. took off from or landed at U.S. airports during the past two years without undergoing inspection" by the Customs Service. According to the Senate Foreign Relations narcotics subcommittee, a Federal indictment against drug trafficker Michael B. Palmer was dropped because the Government decided the case was not "in the interest of the United States." Palmer's air freight company, Vortex, was one of the four drug smuggling fronts paid by the State Department to deliver "humanitarian aid" to the *contras.*

Another drug trafficker protected by the Reagan-Bush Administration during the *contra* war was *Avirgan* defendant John Hull. The narcotics subcommittee reported that in 1985 a Federal attorney was forced to shut down an investigation of Hull's drug activities in Costa Rica when he concluded that United States Government officials "were taking active measures to protect Hull."

In May 1990 Colombian drug kingpin Carlos Lehder told ABC News that Hull was "pumping about 30 tons of cocaine into the United States" every year. The Costa Rican legislature reached a similar conclusion after an investigation of the drug trade. Its July 1989 report also charged that Oliver North, Robert Owen, former National Security Adviser John Poindexter, former United States Ambassador Lewis Tambs and former Air Force Maj. Gen. Richard Secord bore responsibility for the drugs-for-guns smuggling network in Costa Rica. North and the other men named in the report were declared *persona non grata* by the Costa Rican Government in 1990.

Avirgan charged that Hull planned a 1984 terrorist bombing that killed or wounded several reporters in La Penca, Nicaragua. The case was dismissed in 1988 by a Federal judge who said the Institute had "no evidence" against Hull. Later, however, virtually the same evidence formed the basis for murder indictments in Costa Rica against Hull and another *Avirgan* defendant, Felipe Vidal, for their role in the bombing. The Costa Rican Government is seeking Hull's extradition from the United States.

Hull has been a fugitive from Costa Rican since 1989, when he illegally fled the country after friends bailed him out of prison. Costa Rica may find that the Bush Administration is unwilling to honor their extradition request, however. The Administration may conclude that a trial against Hull, like the many other drug traffickers who were protected by their service in the *contra* war, is not "in the national interest."

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