

CONVERGENCE

The Christic Institute

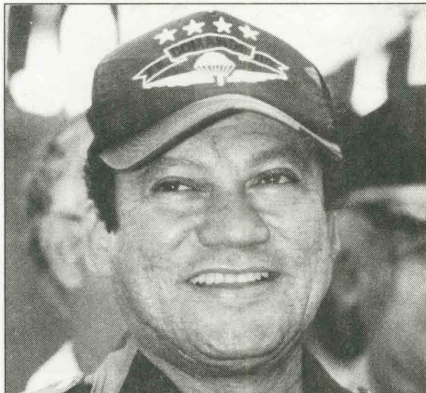
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One Dollar

Washington, D.C.

Special edition: war on drugs

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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.

CONVERGENCE

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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 Christie 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.

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



AP/Wide World Photos

Crack house in New York City.

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

"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**

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.

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.

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 protégé'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



General Manuel Noriega.

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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 Interocéanico, 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 than altruistic, however; a lawyer for the Cali interest complained that Noriega made a practice of turning in rivals of the Medellín cartel. □

