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A Brief History of CIA Involvement in Drug Trafficking

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William Blum



The CIA and Drugs Just say "Why not?"

1947 to 1951, France

CIA arms, money, and disinformation enabled Corsican criminal syndicates in Marseille to wrestle control of labor unions from the Communist Party. The Corsicans gained political influence and control over the docks -- ideal conditions for cementing a long-term partnership with mafia drug distributors, which turned Marseille into the postwar heroin capital of the Western world. Marseille's first heroin laboratories were opened in 1951, only months after the Corsicans took over the waterfront. {3}

Early 1950s, Southeast Asia

The Nationalist Chinese army, organized by the CIA to wage war against Communist China, became the opium barons of The Golden Triangle (parts of Burma, Thailand and Laos), the world's largest source of opium and heroin. Air America, the CIA's principal airline proprietary, flew the drugs all over Southeast Asia. {4}

1950s to early 1970s, Indochina

During U.S. military involvement in Laos and other parts of Indochina, Air America flew opium and heroin throughout the area. Many GI's in Vietnam became addicts. A laboratory built at CIA headquarters in northern Laos was used to refine heroin. After a decade of American military intervention, Southeast Asia had become the source of 70 percent of the world's illicit opium and the major supplier of raw materials for America's booming heroin market. {5}

1973-80, Australia

The Nugan Hand Bank of Sydney was a CIA bank in all but name. Among its officers were a network of US generals, admirals and CIA men, including former CIA Director William Colby, who was also one of its lawyers. With branches in Saudi Arabia, Europe, Southeast Asia, South America and the U.S., Nugan Hand Bank financed drug trafficking, money

laundering and international arms dealings. In 1980, amidst several mysterious deaths, the bank collapsed, \$50 million in debt. {6}

1970s and 1980s, Panama

For more than a decade, Panamanian strongman Manuel Noriega was a highly paid CIA asset and collaborator, despite knowledge by U.S. drug authorities as early as 1971 that the general was heavily involved in drug trafficking and money laundering. Noriega facilitated "guns-for-drugs" flights for the Contras, providing protection and pilots, as well as safe havens for drug cartel officials, and discreet banking facilities. U.S. officials, including then-CIA Director William Webster and several DEA officers, sent Noriega letters of praise for efforts to thwart drug trafficking (albeit only against competitors of his Medellin Cartel patrons). When a confluence of circumstances led to Noriega's political luck running out, the Bush administration was reluctantly obliged to turn against him, invading Panama in December 1989, kidnapping the general, and falsely ascribing the invasion to the war on drugs. Ironically, drug trafficking through Panama was not abated after the US invasion. {7}

1980s, Central America

Obsessed with overthrowing the leftist Sandinista government in Nicaragua, Reagan administration officials tolerated drug trafficking as long as the traffickers gave support to the Contras. In 1989, the Senate Subcommittee on Terrorism, Narcotics, and International Operations (the Kerry committee) concluded a three-year investigation by stating: "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. ... U.S. officials involved in Central America failed to address the drug issue for fear of jeopardizing the war efforts against Nicaragua. ... In each case, one or another agency of the U.S. government had information regarding the involvement either while it was occurring, or immediately thereafter. ... Senior U.S. policy makers were not immune to the idea that drug money was a perfect solution to the Contras' funding problems." {8}

In Costa Rica, which served as the "Southern Front" for the Contras (Honduras being the Northern Front), there were several different CIA-Contra networks involved in drug trafficking, including that of CIA operative John Hull, whose farms along Costa Rica's border with Nicaragua were the main staging area for the Contras. Hull and other CIA-connected Contra supporters and pilots teamed up with George Morales, a major Miami-based Colombian drug trafficker who later admitted to giving \$3 million in cash and several planes to Contra leaders. {9} In 1989, after the Costa Rica government indicted Hull for drug trafficking, a DEA-hired plane clandestinely and illegally flew him to Miami, via Haiti. The US repeatedly thwarted Costa Rican efforts to extradite Hull back to Costa Rica to stand trial. {10}

Another Costa Rican-based drug ring involved a group of Cuban Americans whom the CIA had hired as military trainers for the Contras. Many had long been involved with the CIA and drug trafficking. They used Contra planes and a Costa Rican-based shrimp company, which laundered money for the CIA, to move cocaine to the U.S. {11}

Costa Rica was not the only route. Other way stations along the cocaine highway -- and closely associated with the CIA -- were the Guatemalan military intelligence service, which harbored many drug traffickers, and Ilopango Air Force Base in El Salvador, a key component of the U.S. military intervention against the country's guerrillas. {12}

The Contras provided both protection and infrastructure (planes, pilots, airstrips, warehouses, front companies and banks) to these CIA-linked drug networks. At least four transport companies under investigation for drug trafficking received US government contracts to carry non-lethal supplies to the Contras. {13} Southern Air Transport, "formerly" CIA-owned, and

later under Pentagon contract, was involved in the drug running as well. { 14 } Cocaine-laden planes flew to Florida, Texas, Louisiana and other locations, including several military bases. Designated as "Contra Craft," these shipments were not to be inspected. When some authority wasn't clued in and made an arrest, powerful strings were pulled on behalf of dropping the case, acquittal, reduced sentence, or deportation. { 15 }

1980s to early 1990s, Afghanistan

CIA-supported Mujahedeen rebels engaged heavily in drug trafficking while fighting against the Soviet-supported government and its plans to reform the very backward Afghan society. The Agency's principal client was Gulbuddin Hekmatyar, one of the leading druglords and leading heroin refiner. CIA-supplied trucks and mules, which had carried arms into Afghanistan, were used to transport opium to laboratories along the Afghan-Pakistan border. The output provided up to one half of the heroin used annually in the United States and three-quarters of that used in Western Europe. US officials admitted in 1990 that they had failed to investigate or take action against the drug operation because of a desire not to offend their Pakistani and Afghan allies. { 16 } In 1993, an official of the DEA called Afghanistan the new Colombia of the drug world. { 17 }

Mid-1980s to early 1990s, Haiti

While working to keep key Haitian military and political leaders in power, the CIA turned a blind eye to their clients' drug trafficking. In 1986, the Agency added some more names to its payroll by creating a new Haitian organization, the National Intelligence Service (SIN). SIN was purportedly created to fight the cocaine trade, though SIN officers themselves engaged in the trafficking, a trade aided and abetted by some of the Haitian military and political leaders. { 18 }

NOTES

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2. Celerino Castillo, *Powder Burns: Cocaine, Contras and the Drug War*, Mosaic Press, 1994, passim.
3. Alfred W. McCoy, *The Politics of Heroin in Southeast Asia*, New York: Harper & Row, 1972, chapter 2.
4. Christopher Robbins, *Air America*, New York: Avon Books, 1985, chapter 9; McCoy, passim
5. McCoy, chapter 7; Robbins, p. 128 and chapter 9
6. Jonathan Kwitny, *The Crimes of Patriots: A True Tale of Dope, Dirty Money and the CIA*, New York: W.W. Norton & Co., 1987, passim; William Blum, *Killing Hope: U.S. Military and CIA Interventions Since World War II*, Maine: Common Courage Press, 1995, p. 420, note 33.
7. a) Scott & Marshall, passim
b) John Dinges, *Our Man in Panama*, New York: Random House, 1991, passim
c) Murray Waas, "Cocaine and the White House Connection", *Los Angeles Weekly*, Sept. 30-Oct. 6 and Oct. 7-13, 1988, passim
d) National Security Archive Documentation Packet: "The Contras, Cocaine, and Covert Operations" (Washington, D.C.), passim

8. "Kerry Report": Drugs, Law Enforcement and Foreign Policy, a Report of the Senate Committee on Foreign Relations, Subcommittee on Terrorism, Narcotics and International Operations, 1989, pp. 2, 36, 41
9. Martha Honey, *Hostile Acts: U.S. Policy in Costa Rica in the 1980s*, Gainesville: University Press of Florida, 1994.
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11. Honey, *Hostile Acts*.
12. Frank Smyth, "In Guatemala, The DEA Fights the CIA", *New Republic*, June 5, 1995; Martha Honey, "Cocaine's Certified Public Accountant," two-part series, *The Source*, August and September, 1994; Blum, p. 239.
13. Kerry report, *passim*.
14. Scott & Marshall, pp. 17-18
15. Scott & Marshall, *passim*; Waas, *passim*; NSA, *passim*.
16. Blum, p. 351; Tim Weiner, *Blank Check: The Pentagon's Black Budget*, New York: Warner Books, 1990, pp. 151-2
17. *Los Angeles Times*, Aug. 22, 1993
18. *New York Times*, Nov. 14, 1993; *The Nation*, Oct. 3, 1994, p. 346

Written by William Blum, author of *Killing Hope: U.S. Military and CIA Interventions Since World War II*

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