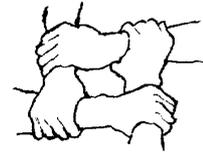




## Newsletter From the Sierra Madre #18 October 1987



**Project PROJIMO:** a villager-run rehabilitation program for disabled children in western México    **Project PIAXTLA:** a villager-run health care network in the mountains of western México

### FROM TREES OF BLOOD TO TRAFFIC OF DRUGS

*by David Werner*

*Among the issues that most trouble the West, and especially the United States, are the international traffic in drugs and the third world debt. The linkage between the two is often missed. Both involve corruption, but there is a lot more to the relationship than that.*

*– Olusegun Obasanjo, former president of Nigeria*

#### **The beginning of the end for one village family**

Not only because of its reddish slippery bark is the *arrayán* sometimes called the 'palo de sangre' or "tree of blood." Throughout the foothills of western México's Sierra Madre, arrayanes grow plentifully along the steep ravines and rocky slopes. In the fallow months from December to February, the generous clusters of miniature guavas hang temptingly from the tops of the tall branches. Village children delight in climbing the slender trees to stuff their bellies with the bittersweet, yellow green fruits. The young of the poorest families help make ends meet by picking sacks full of arrayanes, which they later sell for a pittance in the streets and markets of larger towns.

This is one trade where the smallest, thinnest child has an advantage, for he can climb higher and farther out on the brittle branches. Accidents, of course, are common. Every winter the 'trees of blood' also yield a crop of broken children.

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"If he loses his arm, it's his father's fault!" grumbled the young surgeon in the Hospital Militar of Mazatlán. "I told him he had to bring the boy back in four days to have the bones set. Now it's nearly a month, and still no sign of them." The doctor lit a cigarette. "But that's *campesinos* for you. They're illogical about questions of health. Time after time they bring a patient all the way to the city. We begin treatment. And suddenly, they just leave - even when it's life and death." The doctor made a gesture of frustration. "By now it's too late to set the fracture. We'll probably have to amputate - if he doesn't die first of infection."

The doctor was talking about eight-year-old Noé Crispín. Noé is the third of five children from a *campesino* family (a family of poor farmers) that lives in a mud but near Güillapa, an old Indian village in the foothills of México's Sierra Madre Occidental. On December 19, Noé and his older brother hiked up a wooded ravine to pick arrayanes. In an attempt to reach a big clump of ripe fruit high in a tree, Noé pushed his luck too far. The branch snapped and the boy fell 30 feet onto the rocks below.

Three hours after the fall, Noe's father arrived with his injured son at the *Clínica de Ajoya*, a villager-run health center in a small town eight miles downstream from Güillapa. Roberto, one of the leaders of the village health team, welcomed them. He gently removed the cactus-flesh compress that the father had put on the injury. The arm bent sharply above the wrist and two jagged bones stuck out from an ugly wound. Trembling slightly, the boy looked down silently at his mangled arm.

The health workers at the *Clínica de Ajoya* are able to set simple fractures. But when the bones are exposed, or the risk of infection is high, or complex surgery is needed, they usually take the injured person to a hospital in the coastal city.

After carefully examining the broken arm, Roberto offered to take Noé to the Catholic Hospital in Mazatlán. He told the father that a friendly surgeon there often did surgery free or at low cost for persons referred by Project Piactla. (Project Piactla is the primary health care network that the *Clínica de Ajoya* is part of.)

Unfortunately, when they arrived in Mazatlán, the friendly surgeon was out of town, so Roberto placed Noé and his father in the hands of a 'traumatologist' in the *Hospítal Militar*. Roberto explained that Noe's family was very poor, and the surgeon promised to keep the costs low. Roberto thanked him and returned to Ajoya.



Back in Ajoya, no one heard again from Noé or his father. Then, 23 days after the accident, they returned to the village health center. Examining Noe's arm, the health workers saw that a skin graft had been put over the wound, but that the broken bones had not been set. The arm still bent sharply where the points of the bones poked through the skin.

"If the doctor told you to come back in four days to set the bones," asked one of the health workers, "why didn't you go?"

"How could I?" said the father bitterly. "He charged me 510,000 pesos for the first operation!<sup>1</sup> And he didn't even fix the bones. I paid him the 200,000 pesos I'd managed to borrow in the village and he made me sign a note promising to pay the rest with high interest. I'll be in debt forever." Noe's father was silent for a moment. "Unless...", he continued, and made a motion of his hands to indicate cutting rings on a poppy pod. Then he sadly shook his head... "But it's so risky now! Who knows where I'd end up?"

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<sup>1</sup> Exchange rate at this time: 1,000 pesos per U.S. dollar. A field worker earns about 1,500 pesos/day (540,000 pesos/year). Small farmers often earn much less.

"Damn it," said Roberto, "that doctor robbed you! You were right not to take Noé back to him. But somehow we've got to get the bones set - free or as cheap as we can. But it's going to be a struggle."

México, in addition to its national health insurance that serves mainly the urban middle class, has a number of federal and state medical facilities designed to serve the poor 'according to their ability to pay'. But the long lines, red tape, hidden costs, and other obstacles put these services out of the reach of many of the poor. The village team decided to try taking Noé to a federal children's hospital in Culiacán, the state capital, 150 miles away. Finally, after several attempts, and a petition directly to the director, the hospital agreed to attend the boy for a 'token charge'. Noé was hospitalized and his arm put in traction.

In only two weeks, Noé was ready for release. But when Noe's father went to pick him up, the hospital handed him a bill for 215,000 pesos. They refused to let the child go until the money was paid. Noe's father returned to Ajoya in despair. Then, two of the leaders of the village health team went to Culiacán and confronted the hospital authorities, who at last released their young hostage for 100,000 pesos.

All things considered, Noé was lucky. No infection developed and his broken bones knitted well. But if it had not been for the efforts of the village health team, he could easily have remained disabled for life. As it is, within a few more months, Noé should get back the full use of his arm.

Economically, Noe's family was not so fortunate; it will need much more time to recover, if it ever can. Noe's father had to borrow over 300,000 pesos, and owes an additional 310,000. For a *campesino*, such a debt can be devastating. With the small, uncertain income from growing corn and beans on the steep hillsides, he will be lucky if he can even pay the high interest charged by the local money lender - 10% per month! Noé and his family will have to sell the bean harvests and eat mainly corn. This means that they could become malnourished, especially the younger children. They also may have to sell their donkey, which will mean hauling firewood and grain on their backs. To help with the extra work, Noé and his brother and sisters may have to drop out of school. They will need to pick and sell even more arrayanes. And if one year the corn or bean crops fail and the family cannot pay the interest on the loan, the money lender- who is also a big land and cattle owner - is likely to strip the family of its few chickens, pigs, tools, and other possessions. Then, the family will have to move to the mushrooming slums of the city.

For many families, in a similar way, the high cost of medical care means the beginning of the end.

### **Drug growing - a desperate alternative**

Of course there is another, quicker way for a poor farmer of the Sierra Madre to try to pay off his overwhelming debts: growing drugs. With one successful harvest of opium poppy, Noe's father might earn over one million pesos, be able to pay off his half million peso debt, and even have enough left over to buy a calving cow, a .45-caliber revolver, or even a submachine gun (a basic tool of mountain farmers who get deep into the drug trade).

The temptation is great - but, as Noe's father knows only too well, so are the risks. However, some of the risks are there in any case. In the Sierra Madre today, no man, woman, or child is free of danger. Far too often, it is the innocent who pay for the deeds of those most involved in the growing, trafficking, or erratic control of narcotics.

Already, Noe's family is in some ways a victim of the rampant narcotics business in the state of Sinaloa. (Both Güiillapa and Ajoya are in this northwestern state of México.) Because so many *campesino* families have become involved and (temporarily) have relatively large amounts of easy money, the inflation rate in the mountains has skyrocketed worse than in the cities. Prices of food, clothing, and other basics now average almost twice as much as in the cities. To make things worse, village stores tend to stock expensive items (canned goods, foreign cigarettes, and bottled alcoholic drinks) for the big spenders, instead of low-cost staples (rice, wheat flour, dried beans) for the subsistence farmers. Poor families who, for reasons of ethics or caution, have long refused to grow drugs, find their situation of poverty steadily worsening. To survive, many families give in and begin to grow drugs, or the fathers and older children go to work for triple the basic wage in the poppy fields of the big growers. (Some of the biggest illegal plantations are said to have been owned by the former governor of Sinaloa and guarded by the Mexican army).(1,2) In the cities, markets that cater to *campesinos* also have raised their prices to match the pocket books of the 'new rich'. Items that have suffered disproportionately high price increases include barbed wire, firearms, ammunition, medicines, and medical care.

Of these, the high cost of medical care is often the most devastating to poor families. In the past, there were many doctors who provided services to the poor at somewhat reduced prices. Today, more and more doctors charge outrageously for services, especially to *campesinos*. They can get away with this because enough *campesino* families are able to pay the high prices to keep the doctors in business. Of course, most of those who can pay are the drug growers, traffickers, and their relatives -or those who borrow from the growers and then pay back by growing drugs themselves.

A *campesino* father will pay everything he has, and more, to save the life of his wife or child. He will pay his entire drug earnings for a single surgical procedure. Knowing this, many doctors now routinely charge millions of pesos for a simple surgery that a few years ago they might have done for a fraction of the cost.

### **The effects of drug growing on the mountain people**

The drug business in the mountains of western México is having many direct and indirect negative effects on the people's health and well-being. This has been aggravated by the shifting, contradictory role of the narcotics enforcement agents - mostly the federal soldiers. Sometimes the soldiers first promise the growers protection; then, when many poor farmers have sold their stored grain to make advance payment to the soldiers, and have spent months tending their opium fields, the soldiers (responding, perhaps, to higher orders for a crackdown) come in and destroy the smaller plantings. In this way, hundreds of poor families who have planted drugs instead of food crops, end up with nothing. The big planters and traffickers are usually immune to the crackdowns. Thus, the drug business brings wealth to some and hunger to others.

The rampant drug trade has produced an unprecedented wave of violence in the state of Sinaloa. In the last 15 years, the Sierra Madre Occidental has changed from a region where people could travel anywhere unarmed and safely, to a 'war zone' where no one is secure. Part of the violence results from the distrust that comes from illegal business. If a man discovers that overnight his marijuana field has been harvested and stolen, he cannot complain to the authorities. If he dares, he might confront his neighbor or whomever else he suspects. But the simplest way to recover his losses is to steal from another neighbor's field the following night. This leads to suspicion, killings, prolonged family feuds, and an atmosphere of fear and mistrust.

Proudly, 12-year-old boys now sport .45-caliber pistols (a .22 is seen as childish) and their fathers carry machine guns. It seems that most of the money made from drugs is spent on arms and alcohol. Because of the precarious mix of the two, a lot of the drug money is also spent on huge medical bills - and funerals. In the past two years in Ajoya (a village of 850 people), 12 killings have taken place. Nearly all of them were related to the drug trade or to the arms and alcohol drugs have paid for. In the state of Sinaloa as a whole, the murder rate was already one for 869 inhabitants in 1975, and has no doubt increased dramatically since then.

The extent to which drug trade dominates the economy of Sinaloa is explained in an article entitled "El Narcotráfico es Pilar de la Economía en Sinaloa" (Drug traffic is the pillar of the economy in Sinaloa), published in *El Libertarian*, in México. The following are translated excerpts from an interview with José Antonio Ríos, director of the Mexican Workers' Party (PMT) committee in Sinaloa:

To speak of the economy of Sinaloa is to speak of drug traffic promoted by the government itself, which has played a key role in the production of narcotics in the state - where national values have been so distorted by this activity that the youth look to Rafael 'Caro' Quintero, and to songs on the radio about other famous drug traffickers, for their models of behavior...

The latest major investments for the tourist industry in Mazatlán have been made with money from drug dealing, since this illicit activity has become the pillar of the state economy.

It has even reached the point where the best irrigated lands are openly used for growing marijuana, as was discovered in Navolato, where hundreds of acres produce *Cannabis indica* instead of corn, wheat, and other basic foods.(4)

In the January 1987 issue of *Proceso*, an article titled "El gobierno de Antonio Toledo Corro fue la `larga noche' del delito y el empobrecimiento" [The government of Antonio Toledo Corro was a `long night' of crime and impoverishment], points out some of the damaging effects during the 1980-86 term of the governor who promoted drug growing and alcohol consumption.

#### **Piaxtla workers jailed for fighting corruption**

Governor Toledo Corro has been accused of closing down kindergartens to open neighborhood bars. During his six-year term, 14 of the Project Piaxtla health workers were arrested without charge, some for organizing women to prevent the opening of a bar in Ajoya, others for organizing the villagers to protest the abuses of a corrupt civil judge who had taken control of the village water system and shut off the public taps. Thanks to popular protest and support from local newspapers, all the health workers were soon released. (5)

- During this six-year period there were 6,500 murders in the state of Sinaloa. For most, no one was punished.
- The Commission on Human Rights of Sinaloa, affiliated with Amnesty International, reports an upsurge in human rights violations and of arrests without charges.

- The proliferation of marijuana in the state affected 400,000 young people.
- The production of beer in the six-year period rose from 72 million liters to 102 million liters, while the production of milk dropped from 43 to 25 million liters.(6)

The *Proceso* article concludes:

No other governor has been shown so insistently as Toledo Corro to protect and provide a front for drug trafficking. He has been denounced even from abroad -but in vain. (6)

In 1986, when a U.S. congressional investigating committee reported evidence that Governor Toledo Corro and other high Mexican officials were deeply involved in drug trafficking, the Reagan administration quickly apologized for the committee's 'undiplomatic' and 'erroneous' accusation. The accusations were dropped.

Much of the violence in Sinaloa, especially in towns and cities, has resulted from gangs led by very rich powerful drug lords who have police protection. One of these drug lords and his gang have caused the death of over 100 persons in and around the village of San Juan, a few miles from Ajoya (where Projects Piaxtla and PROJIMO are located). The fathers of four of the children attended by PROJIMO (a project for disabled children run mostly by disabled villagers) were killed by the same drug lord, 'El Cochiloco' (Crazy Pig) who, according to Newsweek, "of all the gangsters in the region... may be the most violent." (7)

In the mountains, much of the violence has also come from drug wars between gangs and from fighting between *campesinos* involved in drug growing. But many of the abuses of human rights have come from government agents assigned to narcotics enforcement. In the Sierra Madre, these mostly include the federal soldiers and the state police (or judiciales). Both groups often behave like gangsters: beating, killing, or arresting persons, often with little or no provocation. I personally treated a child with a sprained neck, whose head had been held under water by a soldier's boot, until the child was made to talk. And I treated one man for broken ribs who had been beaten by the narcotics control soldiers because he had decided not to grow drugs that year, and therefore did not give the soldiers their 'cut'.

### **A drug lord's revenge**

While I was writing this newsletter in Ajoya, a disabled teenager who works with PROJIMO came and sat beside me. As I knew that his father had been killed by the drug lord, El Cochiloco, I asked him about it. He told me that 15 members of his family, including his father, brother, uncles, and cousins, had been killed by 'El Cochi'. I asked him why.

"Well, you see, my father was not involved in drugs," said my young friend. "El Cochi killed the members of my family as vengeance for the death of his own father by a relative of ours. My father was a quiet, peaceful man who didn't have problems with anyone."

The boy's eyes clouded. "But don't think El Cochi just shot the people he killed. First, he's have his men pull out the people's fingernails and then cut off their hands like a pig being slaughtered. He'd have them dig out their eyes. Drag them to death behind a car. Castrate them. They did all that to my brother."

"How old were you when they killed your father? I asked.

“About ten. I was in the fifth grade.”

“Were you very close to your father?”

The boy, who is small and looks young for his age, gave me a sad smile. “I was his favorite,” he whispered.

The boy explained that after his father had been killed, and his mother had lain out his body for mourning in their hut, a truck full of armed men pulled up outside, shouting abuse and bragging that El Cochi had made the kill.

“Didn’t the police do anything?” I asked.

“Are you kidding?” said the boy. “The police belong to El Cochi. The *judiciales* move in and out of his gang. Everybody knows that.”

The boy leaned toward me and said softly, “If someone killed your father and brother like that, would you try to get revenge?”

I shook my head. “I hope not,” I said. “Revenge usually only continues the chain of suffering and death of more innocent people. It makes more sense to struggle with others for a fairer, more just society.”

“But how?” asked the boy.

I had no easy answers. “Hacemos el camino caminando,” I quoted the old revolutionary saying. “We make the path by walking it.”

### **Health workers falsely accused**

In Sinaloa’s Sierra Madre, arrests of drug growers seem to be made to satisfy quotas and to get more money from the families of those arrested, rather than to seriously deter drug growing. Usually, only the smallest growers are arrested, and sometimes persons who are not even involved. This happened to one old man in the village of Verano, who owned a few head of cattle. The soldiers forced him to go to a poppy field and photographed him with the plants. They used the photos to extort money from him. He had to sell his cows.

Worse things happened to one of the health workers of Project Piaxtla. During one of the ‘get tough’ raids in the mountains, the soldiers had apparently been ordered to make a number of arrests. Because the *campesinos* who grow drugs are often well-armed and know the terrain, (with its ambush points) better than the soldiers, many soldiers are reluctant to have any real confrontations. When the troops marched into the small mountain village of Pueblo Viejo, they spotted a group of 14 men playing volleyball. These Sunday games had been organized by the local health worker, Chavelo Barraza, to encourage sports instead of drinking. The soldiers, being sure that at that moment the ball players were unarmed, arrested them all and marched them down from the mountains. In Mazatlán, the men were accused of drug growing and jailed in a huge, new federal penitentiary (ironically called the “Center for Social Rehabilitation”). They were told that any of them that could pay a 2 million peso ‘fine’ would be released. This meant that only

those who were, in fact, drug growers, could buy their freedom. Those not involved in drugs had no way to pay that much money, and remained on jail.

Chavelo and his son have now been in jail for over a year. As a result, Pueblo Viejo is missing its health worker. A group of friends, and leaders of this project, have been trying to get them released. So far they have not been successful.

Just a few days ago an old friend, Carmela Nuñez, from a tiny village high in the mountains, stopped to see me on her way back home from visiting her husband, Juan, who is also a prisoner in the *Centro*. Juan is a master craftsman who helped me build the outpost 'El Zopilote', organized his village to start a primary school, and later studied to be a village health worker. Carmela explained to me that she and Juan had been arrested as they had been leaving their small planting of opium poppy high in the mountains.

"What really makes me angry," Carmela said, "is that the army lieutenant who arrested us, and who treated us like dogs, is the same one who invited us to plant it. He, himself, owned a big opium plantation higher up in the mountains. A son of J\_\_\_\_\_ B\_\_\_\_\_ from Verano was managing it for him. Everybody knows. After he gave us permission to plant, for some reason he and his soldiers destroyed a few of the smallest plantings. That made the growers of those plantings furious, so they burned the lieutenant's field, That's when the lieutenant got mad and began to arrest anyone he could get his hands on. Our bad luck!"



*A Mexican cartoonist's concept of a new monetary unit to replace the Mexican peso, which has devaluated to 1% of its 1975 value. After Arturo Durazo, known as 'El Negro' has been indicted a narcotics trafficker by a U.S. grand jury, former Mexican President López Portillo appointed him as México City's police chief. According to Alan Riding's book Distant Neighbors, "Durazo converted the police into a racketeering empire," whose abuses included extortion, murder, and the marketing of cocaine. (8)*

During 'permissive' years, the soldiers assigned to narcotic control allow and even encourage the *campesinos* to plant marijuana and opium. They say they are the *campesinos'* friends," and are "giving them a chance to overcome their poverty." Of course the soldiers demand regular payoffs plus a generous share of the harvest. The growing is carefully monitored by the capitán or teniente, who inspects the plantings in a 'narcotics control' helicopter supplied by the United States.

During the 'tough' years come the crackdowns where the soldiers spray and burn all but the biggest drug plantations, make arrests, burn huts, and abuse anyone who isn't quick enough to get out of their way (mostly women, children, and old people).

Even in the permissive years, a certain number of fields are burned or sprayed (sometimes even bean fields or vegetable gardens), and persons are arrested in order to give the appearance that the control program is functioning.

### **Pervasiveness of drug related corruption**

To anyone living in the state of Sinaloa, a senior officer's involvement in drug is no surprise. Extensive involvement of many Mexican state and federal officials at different levels and in various branches of the government has been repeatedly documented both in the U.S. and Mexican press. (9, 10)

Much of the corruption linked to drug traffic first came out in the investigations spurred by the U.S. government after the kidnapping and murder of U.S. drug enforcement agent, Enrique Camarena, and his Mexican pilot. (11,12,13,14). The *Chicago Tribune*, in an article titled "Mexican drug flow borders on official corruption," starts off:

SAN DIEGO-The continuing investigation into the 1985 murder of a U.S. narcotics agent in México has produced evidence linking numerous officials of the Mexican government, including the current and former governors of at least 10 Mexican states, to the increasing flow of illegal narcotics across the border with México.

The degree of official involvement ranges from simply turning a blind eye to such activity, to actively protecting major smugglers from prosecution, to direct participation in the drug smuggling trade, according to several sources familiar with the investigation. (11)

The article states that much of this evidence was gathered by U.S. agencies, notably the CIA (Central Intelligence Agency) and NSA (National Security Agency) through telephone taps of known and suspected drug traffickers in México. Conversations tapped included those of Mexican state governors, more than 20 commanders of the Mexican Federal Judicial Police (or federates) and the Federal Security Directorate (DFS). "At first, ...the CIA's wiretaps were conducted in cooperation with Mexican law-enforcement and intelligence agencies..." the Tribune article stated. "But ...when it became apparent that some members of the federates and DFS were themselves involved in narcotics trafficking, CIA agents continued the electronic surveillance on their own ...." (11)

According to numerous reports in both the U.S. and Mexican press, drug related corruption of Mexican officials is "pervasive." (13,14,15,16) Allegations to links with major drug rings have been made against low- and high-ranking officials in the following governmental divisions:

- Mexican Federal Judicial Police (federates-equivalent of the FBI)
- Federal Security Directorate (DFS - equivalent of the CIA)
- Mexican army (especially soldiers and officers included in the narcotics control units)
- Governors of at least ten states
- Certain magistrates and judges
- Prison authorities
- México City police (11,13,14)

### *History's biggest 'bust'*

The biggest 'bust' in U.S./Mexican narcotics history took place on November 9, 1984 near Los Búfalos, Chihuahua, México. (14) Eight thousand tons of marijuana, valued at 8 billion dollars, were found on a huge plantation tended by 3,700 workers. When the bust was made (jointly by Mexican *federales* and U.S. DEA agents), the owners, foremen, and controllers – as usual – had vanished. Under interrogation, workers said they had been prevented from leaving by armed guards and that 'inspection visits' had been made regularly by agents of the DFS. In October of 1985, one of the DEA agents, Enrique 'Quique' Camarena and his pilot were kidnapped, tortured, and murdered. The U.S. government demanded an investigation, which exposed complicity of Mexican officials at high levels, including the Director General of the *federales*. To appease the wrath of the U.S. government, two 'middle-level' drug lords implicated in the Camarena mission were arrested. But even the first attempts at arrest were foiled because of corruption. When drug lord Rafael 'Caro' Quintero was stopped by the soldiers as he was about to flee for Costa Rican his private jet, the drug dealer wrote a check for 275,000 dollars to the captain – who then stood back and let him fly away. Caro Quintero is now in a Mexican jail only because the Costa Rican police, tipped off by U.S. agents, captured him and sent him back. Other drug kings implicated in Camarena's murder, Manuel Félix Gallardo and Manuel 'Cochiloco' Salcido, are still 'on the loose'. According to one authority, Salcido is "locatable but unarrestable." (13) (UPDATE: According to many reports, the infamous El Cochiloco of Sinaloa was killed by rivals/police in about 1988.)

Caro Quintero, who after his arrest admitted that he owned the Los Búfalos plantation, stated that he had given 43,000 a month to 'protect' his operations there. He said he also gave \$21,000 a month to a commander in Sonora to protect similar plantations there, and \$34,000 a month to a DFS officer in Tijuana for "unspecified services at the border," according to the Wall Street Journal. (14)

As the pervasive corruption surfaced during the investigation following the Camarena murder, the DFS director Antonio Zorillo Pérez, suddenly left for Spain and the agency fired 427 agents and 19 commanders. However, few drug dealers or public officials have been arrested or stayed in jail long. Nearly all, including Caro Quintero, have denied their earlier statements, saying they were extracted under torture for "political reasons." (14)

The quantity of drugs flowing into the U.S. across the Mexican border is enormous. As early as 1976, Alan Riding, in the New York Times, claimed that Sinaloa alone "now produces more than half the heroin consumed in the United States." (3) A U.S. State Department report of October 1986 noted a "dramatic increase" in the production of marijuana and opium poppy in México. It says the statistics "...indicate that México is once again the largest single-country source of heroin and marijuana...." (17)

In the last few years, México has also become a major pipeline into the U.S. for cocaine from South America. A report by the House Select Committee on Narcotics Abuse and Control states that "...an estimated 42% of the heroin, 35% of the marijuana, and 33% of the cocaine consumed in the U.S. [is] being either cultivated in or trafficked through México , ..." (18)

What does this mean in tens of dollars? Astronomical amounts. In 1985, the Los Angeles Times spoke of the "\$90 billion nationwide illicit drug industry." (19) Today, with the huge increase in U.S. cocaine use, it is possible that up to \$50 billion in drugs might be coming from (or through) México alone.

## **Ambiguous position of U.S. government on drug trafficking**

Where does the U.S. government stand in relation to the massive amounts of drugs pouring across the U.S./Mexican border for U.S. consumption?

Overtly, the government is strongly against it. The 'War on Drugs', started by the Nixon administration, and now supposedly strengthened by the Reagan administration, purports strong commitment to checking the flow of drugs across the U.S. border and to 'controlling the problem at its source'. The Drug Enforcement Agency (DEA), the CIA, U.S. Customs, and the former U.S. Ambassador in México, John Gavin, have all done a lot to uncover the massive network of drug trafficking from México, and the collusion of Mexican officials. A new law was promoted by Congress to drastically cut U.S. aid to countries that do not bring drug growing under control.(17) The U.S. has invested millions into equipping Mexican Narcotic Control Units with a fleet of 80 aircraft helicopter spraying rigs, tons of Paraquat and other herbicides, advisers, training programs, and undercover agents.(14) Yet, the production of drugs and their flow into the U.S. from México continues to grow. México 's share of marijuana traffic to the U.S., for example, grew from 4% in 1981 to 25% in 1985.(18)

Behind its strong public stand for an all-out 'War on Drugs', the U.S. government's de facto position is far more ambivalent, and at times, self-contradictory. While some branches of government are apparently fighting a serious war on drugs, others are undermining their efforts, and still others are in collusion with drug racketeers. In his book, *The Underground Empire: Where Crime and Government Embrace* [Doubleday & Co.,1986], James Mills -who, for six years accompanied a small DEA anti-drug strike force called Centac- concludes (according to an article in the *New York Times Book Review*) that "all drug investigations will eventually run up against the complicity of governments, including ours and our allies', with the most powerful figures in the drug business." (emphasis added)(20) He speaks with admiration for the efforts and commitment of the DEA, but points out that when it comes to effective action in controlling drug traffic, too often the DEA's hands are tied by 'political constraints' mandated from higher up in the administration. The *Times* review gives Mills' portrayal of anti-drug operations, where they "go after loads of cargo rather than the heads of smuggling organizations." This, of course, permits the appearance of a 'War on Drugs' without seriously restraining drug production or traffic. Perhaps it was Centac's political mistake of going after some of the top kingpins in the international drug trade that led to "Centac's reorganization into meaninglessness through the efforts of the FBI."(20) When explaining the frustrations of the DEA to a congressional hearing at which Mills was asked to report, Senator Lawrence J. Smith (R-Florida) admitted that placing the DEA under the mandate of the FBI was probably a mistake.(21)

Senator Smith sums up James Mills' conclusions: "...drug enforcement efforts kind of break down when the governments involved, both those of the producing or trafficking countries and our country, see a potential for embarrassment or interference with other diplomatic or national security objectives." (21)

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***"The intelligence community just does not want us to go into court [with evidence incriminating Mexican officials in drug trafficking]..."***

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In the case of México, as Mills stated to the same congressional committee, "There is a very strong tendency, particularly within the [U.S.] Department of Justice, to keep the lid on very simply ...." and adds, tellingly, "We know that México has a \$100 billion foreign debt."(21)

Why does the U.S. government not carry through consistently on its 'War on Drugs'? The answer lies in political and economic factors, but also in deeply entrenched corruption. The corruption within the U.S. government, if perhaps less pervasive, is just as institutionalized as in the Mexican government (insofar as it often has covert, high-level approval) and is much more dangerous and far reaching - precisely because the U.S. is a much more powerful and influential country.

It is well documented that attempts at drug enforcement at lower levels of the U.S. government have, for political reasons, often been blocked at higher levels. For example, the Chicago Tribune tells us that although CIA agents have collected vast amounts of evidence incriminating Mexican officials in drug trafficking, the CIA leadership has been reluctant to use that evidence to help check the flow of drugs. "The intelligence community just does not want us to go into court with what they have gotten," a Justice Department source is quoted as saying.(11)

In May of 1986, before the Senate Foreign Relations Committee's Western Hemisphere Subcommittee, Senator Jesse Helms, chairman of the subcommittee, led what has been described as an "angry and accusatory" testimony against high-ranking officials in the Mexican government. As part of the testimony, the then-U.S. Ambassador to México, John Gavin, and the head of U.S. Customs, William von Raab, brought vehement allegations of drug trafficking, not only against high officials and police chiefs, but also against relatives of México 's president. The U.S. Customs chief called graft in México so pervasive that he "assumes that any Mexican official is dishonest unless proven otherwise." (22)

Rather than follow up on specific accusations, or bring charges against any of the officials named, both the Mexican government and the Reagan administration reacted in a way that can only be described as 'politically expedient'. The Mexican government issued a strong protest, accusing the U.S. of violating México 's sovereignty. (23) The protest stated that "México categorically denies all the accusations and slanders that have been made against our country during the hearing," and that "low-level officials" in the U.S. administration made declarations during the hearings that "do not reflect reality and that use distorting information about what is going on in México ."(24)

In response, the Reagan administration apologized to the Mexican government and rebuked the "low-level officials" who had testified at the hearing.(11) When, in spite of the rebukes from the Reagan administration, Jesse Helms, in a subsequent hearing, implicated still more Mexican officials, Attorney General Meese took a move to restrict the inquiry. "Convinced that the cross-border mudslinging was doing unneeded harm to relations between the U.S. and México, Meese ordered all Justice Department agencies to refrain from making such allegations, and he struck up what has been described as good relations with the Mexican Attorney General, Sergio García Ramírez!" (11) Meese has even said that he is "terribly impressed" with México 's antinarcotics efforts.(22) Meanwhile, drugs continue to flow into the U.S. from México at an unprecedented rate.

Diplomatically and strategically, Meese probably had no choice but to call off his investigators when they began to follow too closely on the track of Mexican high officials. For, as the Reagan administration knows only too well, officials high in the U.S. government are vulnerable to similar charges. In fact, the Mexican government had every right to be outraged, and to point to "...the political irresponsibility implied by these statements [in the hearings]."(23) The Mexican government newspaper, El Nacional, was more blunt in its accusations. A front-page headline stated that the U.S. is a leading promoter of drug traffic.(25)

And as the evidence mounts, this accusation seems dangerously close to the truth. No wonder Reagan's drug warriors have called off their dogs.<sup>2</sup> And, diplomatically speaking, rightly so. There appears to be a tacit agreement between the U.S. and Mexican governments about how far either government will go - and not go - in their mutual 'War on Drugs'. Each government is well aware of the other's clandestine record of collusion in drug trafficking. As the Christian Science Monitor points out:

Nor do Mexicans forget that many of the drugs grown in areas near the U.S. border were developed with funds of U.S. drug racketeers. They also point out that many of these mobsters have never been brought to justice in the U.S. and that some of them have excellent connections with corrupt U.S. law enforcement officials.(28)

### **The economics of international drug traffic**

The fundamental reason why neither the U.S. nor the Mexican government is willing to fight an all out 'War on Drugs' (except in public speeches) lies in the camp of **national and international economics**.

Economically, México is in a severe crisis, which for the past five years has been rapidly worsening. This crisis has been caused, at least in part, by the same global economic factors that have driven nearly all developing countries into overwhelming and unpayable foreign debt.

In the early 1970s, The Organization of Petroleum Exporting Countries (OPEC) quadrupled the price of oil. Much of the increased revenue from oil sales was deposited in Western banks. These banks, hungry for profits through lending, made big loans to developing countries, which were eager for capital to pay for expensive oil imports and to encourage economic development at home.(29)

With their income falling and prices and interest rates rising, many developing countries had trouble even paying the interest on their huge debts. And as the economic viability of Third World countries became uncertain, politicians, businessmen and racketeers began to invest much more of their money in developed countries with the encouragement of banks, businesses, and other rich nation accomplices. This capital flight, combined with widespread corruption, made the debt crisis even more extreme.(29,30)

The banks, in order to avert default on their loans by the poor countries, offered to lend those countries still more money but only if they agreed to adopt their terms of 'economic adjustment'.(29)

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<sup>2</sup> Politics are not only behind the 'cease fires' in the 'War on Drugs', but also behind some of the most devastating attacks. If we reflect on Senator Jesse Helms' political record, it becomes evident that his vehemence against high Mexican officials comes less from his concern about drug dealing than as an excuse to harass México for its opposition to U.S. intervention in Nicaragua and its leadership in the Contadora alliance for peace in Central America. In contrast to his charges against México, in El Salvador he not only did nothing to expose public officials involved in drug trafficking, he supported ultra right-wing candidate Roberto d'Aubuisson for the Salvadoran presidency, despite the evidence that d'Aubuisson knows and does business with death-squad killers and drug smugglers.(26)

Even the tremendous reaction of the Reagan administration to the murder of Camarena is thought by some critics to be politically motivated. In the words of former U.S. Attorney General Ramsey Clark, "I don't see any real drug control basis for the border [restrictions following the Camarena murder]. It's a weapon the Reagan administration has chosen to manifest its power to discipline México for policies it doesn't like. It's a way of sticking our finger in Mexico's eye, a neat way of showing how much trouble we can give."(27)

The new 'economic adjustment' which demands austerity (cuts in public spending, freezing wages, and freezing prices) and an increase in production for export (cash crops instead of food crops) has caused increased poverty, hunger and poor health for the poor majority in scores of developing countries.

México is one of the countries that has been hardest hit by the debt crisis. In the 1970s, as new discoveries of vast oil fields were being made, México borrowed colossal sums to finance the development of its oil industry. With its huge foreign debt and then the worldwide crash of oil prices in the early 1980s, México went into an extreme crisis. In 1982, México would have had to default on its loans - but at the last minute, the international banking community, in a desperate attempt to protect its own interests, decided to bail out the country with still more loans. This, of course, means an even bigger debt.(29)

México 's economic crisis was aggravated even further by the massive corruption and capital flight that accompanied the loans it received for the development of its oil industry. (The same thing happened in Nigeria during its oil boom.) The head of PEMEX (Petroleos Mexicanos), Jorge Díaz Serrano, was finally fired and jailed only after he stole - and invested outside the country - billions of dollars, according to some investigators' estimates. Former Mexican President López Portillo, who fired Díaz, is also said, during his six-year term, to have "skimmed off more than his share of the Mexican people's wealth - perhaps as much as \$5 billion."(31)

**México now has a \$110 billion foreign debt**, owed to over 500 international and foreign banks, many in the United States.

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**If México acted alone, Citibank would reel and stagger, reaching for the ropes and surviving. But mighty Chase Manhattan might have to close its gilded doors.**

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Every day, México must come up with \$30 million just to pay the interest.(32,33) To do this, it is forced to beg and borrow more from the same banks (who have long since grown reluctant to lend more).

An article in the Utne Reader titled "México trembles on the edge of a nightmare" sums up México 's dire situation and the concern it is provoking among U.S. bankers and government officials:

Another Mexican revolution is brewing, as plummeting oil prices and continuing chaos from last year's earthquake bring more misery to people already suffering poverty, pollution, and political corruption on a hideous scale. The situation there has already sent millions of Mexicans into the U.S. in search of a better life. But... illegal immigration is only a small part of the problem the U.S. may face. México 's crisis may bring chaos to the American banking system with a default on its loans. And restlessness in the Mexican military, along with grave discontent among both leftists and rightists, may bring a bloody war to the southern U.S. border.(emphasis added) (34)<sup>3</sup>

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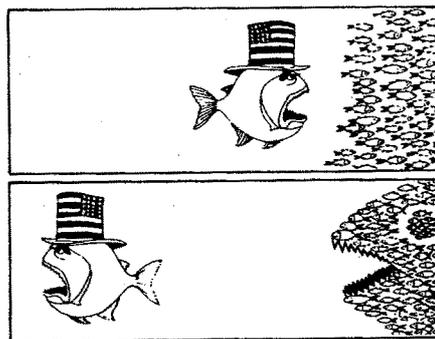
<sup>3</sup> Don't get too scared of pending revolution south of the border- at least not in the immediate future. According to the Chicago Tribune, much of this kind of 'alarmist reporting' about México 's stability is based in part on a CIA National Intelligence Estimate which former CIA Director Casey had done in México. Casey wanted to prove that the Mexican government, which has been controlled for over 50 years by one party (the PRI), has become so corrupt and unstable that the situation 'threatens U.S. security' (in other words, that there is risk of a left-wing revolution). If this were the case, Casey felt that he could

With regard to the huge foreign debt, many Mexican economists echo the conclusion of Fidel Velázquez, head of the Confederation of Mexican Workers (CMT), who states: "At this time, we cannot pay. We simply cannot pay."(33) In recent demonstrations in México City, around 100,000 people shouted: "Don't pay!"(33) And, President Miguel de la Madrid simply warns: "Dead men don't pay debts."(36)

What would happen if México did not pay? Pete Hamill's article "The Capital of Calamity" gives us an idea:

American financiers shudder at the possibility. Many believe that if México didn't pay, and was joined by OPEC member Venezuela (which owes \$35 billion), and then - in contagion of anti-Yanqui nationalism - by Brazil (\$100 billion) and Argentina (\$50 billion) then the banking structure of the United States would collapse. If México acted alone, Citibank would reel and stagger, reaching for the ropes and surviving. But mighty Chase Manhattan might have to close its gilded doors. (33)

Strangely enough, although México 's economic collapse has been predicted and awaited since 1982, the country somehow manages to survive. Not only does it survive, but Mexican officials, traders, and gangsters continue to amass vast amounts of money into private foreign accounts.



In view of the economic crisis and its huge debt, what is it that still keeps the sinking Mexican economy afloat? And why are officials on both sides of the border so reluctant to state the obvious?

If we put all the facts together, the answer is as clear as it is ominous. Narcotics. No one knows the full dimension of the narcotics trade in México, but it involves certainly more than 30 billion dollars a year and possibly more than \$50 billion. Compare this with \$16 billion produced by oil exports [1985] (37) and \$1 billion by the tourist trade [1984] (38), two of México 's most important industries.

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justify and carry out a covert CIA operation in México to undermine the PRI and turn power over to the ultra-right wing party, PAN. When the National Intelligence Estimate that Casey had requested showed that the Mexican government is in fact still relatively stable, that revolution is not imminent, and that there is no present 'threat to U.S. national security', Casey 'revised' the final NIE report, altering facts to support his thesis. The CIA México City station chief, John Horton, who had carried out the National Intelligence Estimate, resigned from the CIA as a protest of Casey's dishonesty. Nevertheless, Casey's revised NIE report continues to be the basis for much of the Reagan Administration's Mexican policy. In a recent article in the International Journal of Intelligence and Counter-intelligence, Horton argues that "Casey hoped to present México as another Iran, on the brink of another violent revolution, that would have enormous ramifications for the U.S."(35)

A classified document jointly prepared by the Drug Enforcement Administration, the CIA, the State Department, and the U.S. National Security Agency says that **75% of the total export earnings of México and Colombia are probably drug profits. (21)**<sup>4</sup>

To keep paying its \$30 million per day interest on its \$110 billion foreign debt, México depends almost completely on its earnings from exports. American banks have good reason to be fearful of default on their loans, especially to Latin American countries. President Alan Garcia of Peru has already announced that his country will limit interest payments on its foreign debts to a percentage of its export earnings.<sup>(32)</sup> Other countries are considering similar decisions.

With 75% of México's and Colombia's export earnings coming from the drug trade, it is easy to understand why the U.S. banking system - and consequently the U.S. government - must carefully weigh the economic risks of an all-out 'War on Drugs'. And it becomes clearer why "[U.S. Attorney General] Meese doesn't favor sanctions on lands that produce drugs."<sup>(40)</sup>

Newsweek gives this account of the role of Mazatlán's drug lord, Manuel Salcido (Cochiloco) in the Mexican economy:

According to local sources, Salcido has invested \$35 million [dollars] in Mazatlán. He owns four tourist hotels, three movie houses, restaurants, shopping complexes, and an office building from which he runs his businesses like a holding company. Half of the local newspaper, *El Singleness*, reportedly belongs to him and so does an elaborate disco now being built.: "The traffickers are the only ones investing money in México," says one businessman. "The rest take their dollars out. The narcotraficantes build roads, drainage systems, restaurants, and hotels. This creates jobs ...." Another resident reports that the pot king is now looking for political candidates to back.<sup>(7)</sup>

Caro Quintero, México's 'Robin Hood' whose 8 billion dollar stash of marijuana at Los Búfalos was but one of many of his mammoth narcotics ventures, has offered to do even more to aid his country. This poor-farmer-turned-billionaire has offered, if released from jail and allowed to continue his illicit trade, to pay off México's national debt within five years! And millions of Mexicans believe that their folk hero would do just that.

Apart from the multi-billion dollar export earnings that México gains through tolerating the trade of its biggest drug dealers, another substantial source of revenue comes from the 'percentages' charged by police and soldiers who permit poor farmers to grow drugs. Still more money is made from the periodic arrests of some of these same farmers, whose families must come up with millions of pesos to get them released from jail. (This, of course, drives the families into huge debts that they can only pay off by growing more drugs.)

The 'busting' of some of the 400,000 American tourists in México also brings in dollars. Plainclothes police sell a bit of 'mota' (pot) to an unsuspecting young gringo, and around the corner a uniformed policeman busts him. In this way, a small plastic bag of marijuana can bring in sizeable quantities of dollars through a vicious circle of sales and busts. (Several years ago,

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<sup>4</sup> For Bolivia, the figure is 80%, according to the Foro Económico, a Bolivian think tank. <sup>(39)</sup>

soldiers planted marijuana in our Foundation truck. If I hadn't known how to call their bluff, the incident could have been very costly for us. On another occasion, a municipal president tried to extract a bribe from me because he was convinced that my health work in the mountains of Sinaloa was a cover for drug running. I refused to pay, and two weeks later, soldiers arrested me on a trumped-up drug charge -which, fortunately, I was able to prove was false.)

From México 's perspective, serious reduction of the drug trade could mean economic disaster. There is a rumor in México that in 1985, a top Mexican official met with the nine biggest narcotraficantes in the country, offering them a free hand to continue their illicit trade, but with three conditions:

1. that any drugs produced or brought into México be exported and not permitted to remain in the country for local consumption,
2. that money earned from the export of drugs be invested in México, not banked or invested in other countries,
3. that violence be kept to a minimum.

### **Drug traffic to fight debts in Asia**

México and Colombia are only two of many poor countries that have resorted to drug trafficking to offset their huge foreign debts. The *New York Times* reports that “the Government of Laos is promoting cultivation and export of marijuana as a means to earn foreign exchange, according to Thailand officials who have been monitoring narcotics in the region.” It adds that “international narcotics agents say they believe American crime syndicates are behind the expanding marijuana trade in the region...” A Thai official said that Laos “had exported at least 200 tons of marijuana in the last four months.” He states that “a Laotian Government agency... buys seed and fertilizer in Thailand, distributes it in Laos and then purchases the crop from local farmers for resale abroad.” (41)

Whether there is any truth to this rumor or not, it does have a certain logic. Given that under México 's present economic restraints the drug trade will and must continue, the conditions as stated above would help provide greater benefit and less harm (to Mexicans, if not to Americans). To some extent, some of México 's drug kings seem to be responding, at least to the second condition.

### **Drug-related corruption within the U.S. government**

Lest Americans begin to grow righteous about corruption of Mexican officials, it is well to remember that drug-related corruption has, for many years, been institutionalized within certain branches of the U.S. government. And today it is as bad as ever, if not worse.

Collusion in drug trafficking as part of covert U.S. policy was first exposed by journalists and scholars many years ago. It has been shown that in Southeast Asia, the regional drug traffic was controlled by the U.S. Central Intelligence Agency (CIA) through Colonel Paul Hellywell. And, in 1968, Santos Traficante, godfather of the Florida mafia, went to Saigon under CIA auspices to organize the drug trade in Laos, Thailand, and South Vietnam. (42) The border area shared by these countries formed the notorious ‘Golden Triangle’, through which drugs were sent to the U.S., Canada,

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**REPORTER: 25,000 POUNDS OF POT?**

**TOLLIVER: YEAH, MARIJUANA. SAME PLANE**

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and Northern Europe. In the U.S. today, among the most active organized crime bands involved in drug racketeering are those of Chinese, Cubans, and Vietnamese. All of them are more or less linked to the Cosa Nostra (mafia), and all of them have ties to the CIA, for the CIA used them to combat socialist revolutions in China, Cuba, and Vietnam. (42)

**Contras' war on Nicaragua partly financed by drug traffic into U.S. -with covert government support.**

History is now repeating itself in Nicaragua, where many of the Contras, who are overtly and covertly financed by the Reagan administration and the CIA, also deal in drugs.

It is interesting to note that before the Iran-Contra arms scandal, there was a lot of coverage in the U.S. press about drug trafficking from Latin America into the United States. Since the Iran-Contra scandal broke, the U.S. press - with a few exceptions-has been remarkably silent on drug smuggling from Latin America.

Although there is substantial evidence that the Contras have helped finance their war by extensive trafficking of drugs to the U.S., the Iran-Contra hearings conspicuously avoided any public probing into these potentially explosive issues. Nor did the hearings committees call publicly on certain key witnesses who could provide first-hand information on the U.S. link to Contra drug-running.

It is not as if the congressmen didn't know. On April 6, 1987, the CBS program, "West 57th Street," led off with a heavily documented report on the CIA-Contra-narcotics connection. (However, the only major U.S. newspaper to pick it up was the Miami Herald.) The most sobering part of the report was an interview with Mike Tolliver, in which this freelance pilot and convicted drug smuggler described his role as part of the Reagan administration's Nicaraguan policy. The interview with Tolliver was reprinted by The Nation:

In March, 1986, Mike Tolliver was contracted by the CIA to fly to Aguacate, a Contra supply base of the sort set up by Elliot Abrams and others in Honduras:

TOLLIVER: We had about 28,000 pounds of military supplies -guns, ammunition, things like that.

REPORTER: And when you landed in Honduras, no checking, no customs, no inspections?

TOLLIVER: Well, I didn't think the customs people were going to be out there in the jungle, to be honest with you.

REPORTER: What kind of cargo were you bringing back?

TOLLIVER: 25,000 and change, pot.

REPORTER: 25,000 pounds of pot?

TOLLIVER: Yeah, marijuana. Same plane.

Having established that the dope came from the same people who provided the original shipment of arms, Tolliver described his homeward run to South Florida:

REPORTER: Where in South Florida?

TOLLIVER: We landed at Homestead.

REPORTER: Homestead?

TOLLIVER: Air Force Base.(43)

To make things worse, the plane Tolliver identified as flying has been confirmed as the same plane hired by the Reagan administration to fly 'humanitarian' supplies to the Contras. The dates check out as well.(43)

On the same CBS program, George Morales, a convicted cocaine smuggler, stated (clearly without hope of improving his legal position) that the CIA had exploited his indictment as a drug lord to extort from him planes, pilots, and a \$3 million cash donation to the Contras.<sup>5</sup> The CBS program, which has exacting standards for research accuracy, showed clearly that "some individuals had run a lot of guns to the Contras as well as a lot of drugs to American dealers and addicts."

The involvement of various persons linked to the U.S. government was also obvious.(43)<sup>6</sup>

In addition to the CBS exposure, there is substantial additional documentation (some of it in CIA reports) showing how the Contras, aided by U.S. government agents, finance their war against Nicaragua through the traffic of narcotics into the United States. Peter Dale Scott is researching this subject for the Washington-based International Center for Development Policy. These are some of the incontestable facts Dale has gathered:

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<sup>5</sup> *Nicaragua is not the only country today in which the CIA is aiding rebels who finance their war through drug traffic to the United States. According to the New York Times, dozens of rebel commanders and fighters across Afghanistan state that they are growing opium poppy to help finance their war against troops of the Soviet and Afghan armies. A report by U.S. officials denies that the rebels "have been involved in narcotics activities as a matter of policy to finance their operations." But rebel leaders say their cultivation of opium on such an extensive scale is something new and is directly tied to the war effort .... "The war," the rebels said, "created its own economic and moral imperatives... and the opium harvest was crucial ...." A State Department report (12 February '86) described Afghanistan and the bordering tribal areas of Pakistan as "the world's leading source of heroin exports to the United States and Europe"- this year, an estimated 800 metric tons (or \$80 billion, at the retail value of \$100 per gram).(44) The New York Times article does not mention CIA complicity. But with the CIA's track record and its key role in the Afghan war, we can only guess at its covert links with the rebel's 'victory garden' against communism.*

<sup>6</sup> *Morales identified the Costa Rican airstrip, where guns are swapped for cocaine, as owned by John Hull. In a lawsuit by the Christic Institute (see box, p. 13) John Hull is being accused of supervising a special unit of Contra forces in Costa Rica that operates mainly from his ranch there. Hull is said to have planned and provided explosives for the May 1984 attack on a public press conference called by former Sandinista commander Eden Pastora. He is also said to have participated in a plan to bomb the U.S. Embassy in San Jose, Costa Rica, and in a plan to assassinate the U.S. ambassador there, Lewis Tambs.(45) According to the Tower Commission Report, Hull has been recorded in several meetings with Lieutenant Colonel Oliver North.*

- A 1985 CIA report alleges that a Contra 'top commander' in Costa Rica used cocaine money to buy an arms shipment and a helicopter.
- Two Nicaraguan cocaine smugglers, convicted in the largest cocaine bust in western U.S., told of passing their earnings to the Contras.
- The DEA identified a leading Contra fund-raiser in 1984 as a major cocaine importer for the U.S. market. (43)

Also, the military leader of Panama, General Manuel Noriega, who is being investigated by the U.S. Justice Department for multimillion dollar involvement in opium processing

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***"Even the State Department has admitted that some of the Contras have been involved in drug-smuggling..."***

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and drug trafficking (46), is reported to have donated \$10 million to the Contras.(47) No U.S. congress member - in or out of the Iran-Contra investigation - can honestly claim ignorance of these matters. All the information I have just recorded has been gathered from the U.S. press. Some of it has appeared on national television. An article in the Boston Globe makes clear an attempt to cover up the U.S.-Contra drug smuggling connection during the Iran-Contra hearings. The following are excerpts from the Globe article:

WASHINGTON - A confidential memorandum urging that the Iran-contra committees issue a statement saying that they have uncovered no evidence of drug-smuggling by the Nicaraguan rebels has drawn criticism from within the committees and from others probing the allegations ...

The memo [written by Robert Bermingham, a committee investigator and dated July 23, 1987] concludes that... the committees did not find "any corroboration of media-exploited allegations that the U.S. government condoned drug trafficking by contra leaders... or that the contra leaders or organizations did in fact take part in such activity ...." The memo urged that... "the joint committee issue a statement to the above effect ...."

Congressional sources say the recommendation was made because of the political motivations of committee Republicans eager to disassociate the contras from drug smuggling allegations at a time when the Reagan administration is seeking congressional approval for additional military aid to the rebels.

"It's a harebrained idea," said one committee investigator .... "Chairmen Inouye and Hamilton would be ill served to carry out its recommendation ...."

The memo said a parallel investigation by the Senate Iran contra committee "was also substantially negative with regard to contra drug smuggling ....'

Meanwhile, another congressional committee and two congressional subcommittees have looked into allegations that contra leaders and their U.S. supporters have engaged in drug-smuggling ....

Sources familiar with these four investigations say they have uncovered evidence to support charges of contra drug smuggling.

## Kerry Committee

One of the congressional investigations is being conducted by the Senate Foreign subcommittee on security and terrorism, headed by Senator John F. Kerry. Sources say the panel has heard extensive testimony in public and in executive session supporting the drug smuggling allegations.

On July 15, the subcommittee heard public testimony from a convicted cocaine smuggler, George Morales, who said that from the summer of 1984 until early 1986 he directed a network of pilots who flew weapons from two airports in southern Florida to contra bases in Central America. Morales testified that the flights returned to the United States with marijuana and cocaine. Proceeds from the sale of the drugs yielded "millions and millions of dollars" for the contras, he testified.

"Even the State Department has admitted that some of the Contras have been involved in drug-smuggling," said a senior aide to Kerry. "Robert Owen has said he knew about such activities. I find it incredible that the select committee, however, cannot uncover similar evidence. The memo leads you to wonder what the motivation of its author was."

Owen worked for Lt. Col. Oliver L. North... as an aide and liaison with the contra leadership ....

A spokesman for the [House Select Committee on Narcotics Abuse and Control], Robert Weiner, said the memo "does not accurately represent what we had or what we developed .... We did indeed find there is substance to many of the allegations. Mr. Bermingham is wrongly prejudging a congressional committee investigation."(48)<sup>7</sup>

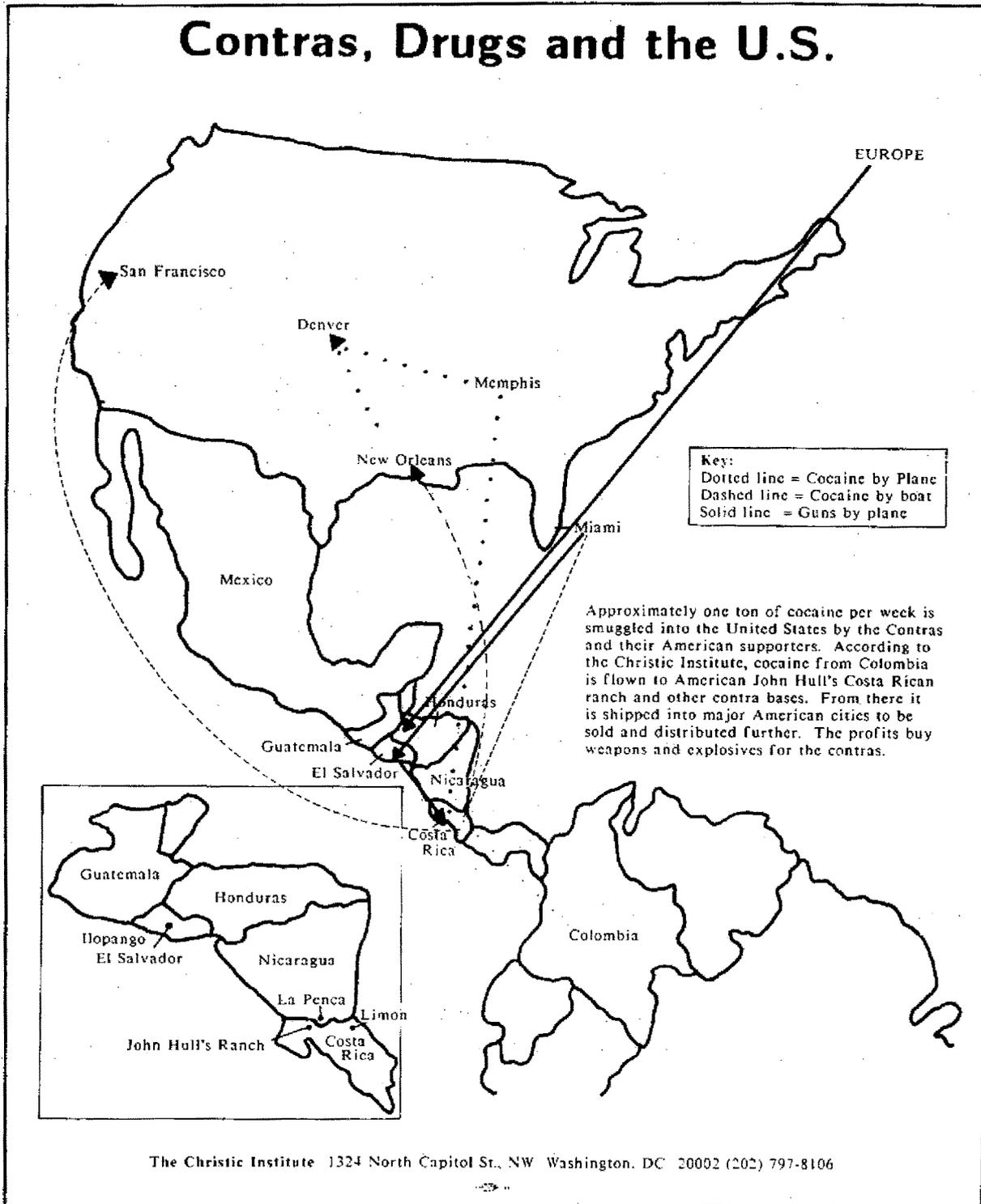
No wonder Meese and Schultz reined in the witch-hunt on Mexican officials involved in drug traffic. For how can the U.S. government be critical of the drug-related corruption in México when it smuggles drugs into its own country to finance mercenaries to destabilize a small struggling nation? Is not the U.S. government's crime far worse?

México, as we have seen, is in a state of economic crisis that I makes its drug trade almost unavoidable. On a much larger scale, México can be compared to Noes father and the other poor *campesinos*, who are trapped into overwhelming debt by powers bigger than themselves. Both the Mexican *campesino* and the Mexican government recognize the danger of turning to drugs as a last resort. But the powers that be offer them little choice.

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<sup>7</sup> Despite all this on August 26 1987, the *New York Times* reported, without further comment, that "A memo by an aide to the Iran-Contra committees, released today and dated July 23 said the panel had been unable to confirm charges that the Contras were underwriting their war effort through the sale of drugs." The attempt to cover up the U.S.-Contra drug smuggling connection seems to be succeeding.(49)

# Contras, Drugs and the U.S.



The U.S. government, on the other hand, is using the flow of drugs into the U.S. - and the consequent addiction and deterioration of millions of its citizens - not for purposes of survival, but for aggression. This aggression has been condemned by the World Court, the UN Security Council, and the UN General Assembly, and by the vast majority of countries in the world.(50)

And what has Congress done about it? And what has the U.S. press said about it? With a few notable exceptions, they have turned a blind eye. By doing so, they have become accomplices.

**The Reagan administration (and through their silence, Congress and the majority of the U.S. press) have perpetuated the use of drugs among North Americans to help finance the subjugation of countless Latin Americans to terrorism, displacement, disability, and death. All this has been done in the name of an ideology (the right of the strong to exploit the weak) which - if this planet survives - in a few generations will be universally condemned as being as selfish, barbaric, and immoral as slavery.**

**But what can be done?**

In order to control international drug smuggling, people have proposed or tried to do, among other things, the following:

1. **Reduce demand.** Clearly, there is no easy way to control the flow of drugs into the United States. Latin Americans criticize the U.S. government's focus on trying to control production in the countries of origin. They point out that 'for there to be a diving board, there must be a swimming pool', and assert that the U.S., as the world's biggest consumer of drugs, should first deal with the problem of consumption within its own borders. Latin Americans recognize, however, that this will not be easy. The enormous demand for drugs in the U.S., they say, is a "reflection of a valueless, materialistic society ...."(28)

There is much to support this gloomy portrayal. The high suicide, divorce, mental illness, and crime rates in the U.S., plus the fact that the average high school graduate has spent more time watching television than he or she has spent in the classroom, does not speak for a wise or healthy society. (52) With the recent exception of the 'yuppies', drug use is reported as highest in socially disadvantaged minorities, and in young people who feel that the forces that shape their own lives are out of their control.

Certainly some very major changes in the U.S. social structure would be required to significantly reduce the present high demand for drugs. Warnings to the youth of America by Michael Jackson and Nancy Reagan will not suffice.

2. **Eradicate drugs at their source.** As far as trying to control drugs at their source, the economic constraints on countries with massive foreign debts makes the prospects dismal. As long as their debts are held against them, the major drug producing countries simply cannot afford to stop producing and exporting drugs. To do so would mean economic (and in many cases, political) suicide.

3. **Cut foreign aid.** Will the threats (and actions) by the U.S. government to cut off aid money to countries that do not take serious measures to eradicate drugs be effective?

Unlikely. As James Mills has pointed out to a congressional committee, the few million dollars a country will lose in foreign aid is a pittance in comparison to their export earnings from drugs. He recalls that Bolivia recently lost half of its U.S. foreign aid, or \$7.2 million, because it failed to eradicate just one-tenth of its cocaine crop, as the U.S. had demanded. "And what price have they paid for that?" asks Mills. "\$7.2 million is the value wholesale in Miami of 360 kilos of cocaine. That is nothing. That is not even a large load of cocaine. They have not lost anything." (21)

Clearly, trying to control drug production by reducing foreign aid will not be very effective. It could even prove counter-productive, as it would create an even greater need for poor countries to generate dollars through illicit channels.

**4. Restrict capital flight.** Olusegun Obasanjo, the former president of Nigeria, emphasizes that "the linkage between drugs and debts can no longer be ignored." (30) He holds that the international banking system (together with the countries and laws which stand behind it) are accountable not only for engineering the devastating foreign debt of poor countries, but in part, for the consequent 'capital flight' which worsens the debt problem and therefore the drug problem. (By capital flight he means investment by Third World businessmen, politicians, and gangsters of large amounts of money into foreign banks. Capital flight from México alone is said to be "tens of billions of dollars.") (53)

Under a New York Times byline, Obasanjo points out that "in a very real sense, capital flight from third world countries - a crucial component of their debt problem - encourages the traffic of drugs and would not be possible without the collusion of Westerners and their banks." He adds that "up to one-third of all official and private loans to third world nations" may be ending up in foreign banks.(30)

Obasanjo recommends that Western countries take strong measures to end the flight of capital from developing countries. This, in turn, would give developing countries strong incentives to crack down on drug traffic, since much of that traffic arises from an urgent economic need to generate funds lost through capital flight. (30)

He argues that "capital flight through corruption is damaging to the countries of origin and beneficial to the countries receiving and holding the funds." By contrast, "drug trafficking brings social and economic damage to the recipient country, while... financially benefiting the country of origin. It is in everyone's interest to end these menacing problems, for drugs are sapping the strength of the industrialized world, while capital flight, through corruption, is similarly wounding the third world." (30)

However, since the suffocating foreign debt of developing countries greatly increases capital flight because investors lose confidence in their countries' viability, and therefore invest abroad, something will need to be done about the debt crisis first to make the restriction of capital flight possible.

**5. Enforce laws against laundering of drug money.** Capital flight, apart from aggravating the foreign debt of poor countries, and thereby instigating increased drug traffic, also facilitates the laundering of drug monies. Ronald Soble, in the *Los Angeles Times*, explains that "money laundering is a crucial step in narcotics trafficking. Without a series of financial institutions to move his money through, exchanging it and disguising its source, the big drug dealer is, in effect, stuck with millions in small bills." (19)

In the U.S., banks are not supposed to accept big deposits of money from drugs, but claim that they often have no way of knowing the money's origin. The U.S. government requires banks to report all deposits over \$10,000. However, many banks - especially those on the U.S./Mexican border - make deals with selected customers not to declare big deposits. In 1985, the Treasury Department began to penalize banks for violating the Bank Secrecy Act, a federal law used to ferret out drug dealers by tracking down large amounts of cash. In August, 1985, Crocker Bank, the nation's second largest bank, was fined \$2.25 million for failure to report over 7,900 large deposits. The Crocker bank in San Ysidro, California (across the border from Tijuana) was the main offender.(19) Bank of America, the world's largest commercial bank, was fined \$4.75 million for similar violations.(54)

There is little question that steps taken to limit capital flight and to restrict the laundering of drug money could help to control drug traffic. Whether the banks will cooperate is more doubtful. The ethical stalemate which is the crux of the problem was summed up by the manager of the Bank of Coronado's San Ysidro branch. When accused by U.S. Customs that she should have reported suspicious new accounts, the manager snapped, "This is a bank, not a church." (19)

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***Who knows in how many of these countries, the CIA instigates drug running to the U.S. in order to finance its covert operations.***

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**6. Outlaw covert action.** Drug traffic and its related evils could be reduced if the international community and the United Nations would put strong pressure on the U.S. government to respect international law and to obey the orders of the World Court. This could require worldwide boycotts and trade blockades.

Today, Nicaragua is only one of 50 countries in which the CIA conducts covert destabilization activities. Who knows in how many of these countries, the CIA instigates drug running to the U.S. in order to finance its covert operations. The U.S. Congress has passed laws requiring the CIA to report its covert actions to congressional committees. But time and again, the CIA has been caught lying to these committees and violating congressional mandates, sometimes with secret approval from the administration. It has routinely violated the laws of the U.S. and of countries they operate in, as well as every standard of honesty, ethics, and decency. It has instigated pointless wars, plotted assassinations, and perpetuated the suffering and deaths of millions.<sup>8</sup> The Iran-Contra violations are the tip of the iceberg. Clearly, covert operations are out of congressional control.

Covert operations, entailing plots for the assassination of national leaders, suffering of multitudes, and destabilization of struggling nations, are kept secret from the voters and from most of the government. They have no place in a democracy. They have even less place in a world searching for avenues of peace, and threatened with absolute annihilation. The international world community, U.S. Congress, and as much of the North American public as can be aroused to think and act, would do well to join in the demand for the termination of covert operations. Only when the covert operations of the CIA are stopped, or far more seriously restrained and monitored, can the United States government speak of its 'War on Drugs' with an honest face.

### **Conclusion: A Global Approach to Solving the Drug Problem**

- We have seen how the international drug trade compromises the life and health of millions - ranging from a boy in a Mexican village, to poor farmers who are forced to grow drugs to survive, to poor nations that must traffic drugs to hold their debtors at bay.
- We have seen how drug traffic and consumption are linked to the worldwide economic and development crisis, which is sustained by an unjust global economic order, by

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<sup>8</sup> These shocking facts are carefully documented in Gerald Garwood's book, *Covert Action: 35 Years of Deception* [Grove Press, 1985] and in John Stockwell's book, *In Search of Enemies - A CIA Story* [W.W. Norton & Co., 1978]. John Stockwell was the Chief of CIA Angola Task Force, until his conscience bit too hard, and he quit. A new book on the same topic, to be released this month, is *The Crimes of Patriots: A True Tale of Dope, Dirty Money, and the CIA* [W.W. Norton & Co., 1987], by Jonathan Kwitny, an investigative reporter for the Wall Street Journal.

pervasive corruption in the strongest as well as weakest nations, and by the covert activities of the U.S. government.

- We have seen a range of proposals to fight drug traffic and consumption - from cutting foreign aid, to limiting the laundering of drug money and capita] flight, to education campaigns against drug use, to restraining covert action.

However, each of these proposed solutions is only a partial answer. Fundamental to a broad and long-lasting solution is a true transformation of the world economic order, which, to be brought about will require a restructuring of the entire social framework.<sup>9</sup>

We have made our planet smaller and less safe. The time bomb that our world leaders have set is ticking faster. There is no longer space or time to indulge in partial, self-centered, or nationalistic answers to our escalating global problems. The ecological threads that bind our planet together bind us all. It is time to rethink our underlying philosophies and separatist ideologies, and to look for new attitudes, and new policies that will help solve all our global problems. We need policies that can benefit everyone - especially those in greatest need - not just 'us'. It is time for all people who have any human vision and sense of fairness to put aside less urgent concerns and to begin organizing others to transform, step by step, our social, economic, and governmental structures. We must find and support new leaders who are more interested in preserving humanity than in buttressing their personal or national sovereignty.

"You must be dreaming," I can hear my readers saying. True. But if enough of us begin to dream and to share our dream and to act on it, maybe we can alter the selfish madness that governs the world today, and allow our race and our planet not only to survive, but to improve the quality of life. It is, at least, a dream worth dreaming.

A more short-term answer (or at least a good start) would be to **absolve developing countries of their foreign debt** perhaps with an agreement that drug production be brought under control. But wouldn't that bring about the collapse, or at least severely disable many major U.S. and international banks?

Not necessarily. Some of the biggest U.S. banks, led by Citicorp and followed by Bank of America, have already taken the first step toward accepting the inevitable default on their foreign loans to poor countries by substantially increasing their reserves. Other banks are following suit.(55, 56) It would not be too big an additional leap for the banking community to admit its error in encouraging poor countries to run up such devastating debts in the first place, and to completely absolve those countries from their debt.

Such a sensible, humane, and radical solution is unlikely (after all, banks are not churches) unless the U.S. government, or a coalition of rich countries' governments, agrees to underwrite all the poor countries' foreign debts, and pay off the banks (presumably over a number of years).

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<sup>9</sup> See, for example: *People -Centered Development*, edited by David C. Korten and Rudi Klaus [Kumarian Press, 1984]; *Rural Development: Putting the Last First and other writings* by Robert Chambers [Longman, 1983]; and *Another Development* [Uppsala, Sweden, 1977] and supporting documents by the Dag Hammarskjold Foundation.

However, the U.S. government already has a national debt of nearly \$1 trillion, the biggest in the world. Congress is hunting for ways to reduce the debt without any more cutbacks on public services. Where would that kind of money come from?

Again, the answer is so obvious and sensible that it is almost unthinkable. **Cut military spending. Drastically!** Take up the Soviets on their offer of bilateral disarmament. Invite the Soviet Union to match the U.S. in massive cutback on military spending. But do not wait for the Soviets to agree. Set the example and win worldwide support. Surely the perils of unilateral nuclear disarmament do not equal the perils of bilateral nuclear war.

From the monies saved by reduction of military spending, the devastating drug-traffic-promoting foreign debts of poor countries could be absolved with no one hurting economically - no one, that is, except the drug racketeers and military arms industrialists (who unfortunately have a very strong lobby particularly in the Reagan administration). The thousands of workers who would lose their jobs through cutbacks on military spending could, perhaps, be re-employed in anti-pollution and reforestation projects, in research and development of ecologically sound alternatives to nuclear power, and in badly needed human services.<sup>10</sup>

All this, of course, is not likely to happen - or at least not before we suffer a cataclysmic world catastrophe and the survivors (if any) are forced to rethink."<sup>11</sup> But the solution is so obvious - and in the long run, so inevitable - that at least it merits exposing and re-exposing the idea to all congress members, world leaders, and world citizens.

If we don't act soon, what will remain?

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<sup>10</sup> A United Nations commission that has analyzed the world's biggest problems makes similar recommendations. The World Commission on Environment and Development reported on April 27, 1987 that "the world is facing an `interlocking' crisis of the environment and the economy that threatens the future of humanity"(57)

According to the report (as documented in the San Francisco Chronicle), "the recent famine in Africa illustrates the ways economics and ecology can interact destructively and trip into disaster .... Triggered by drought, its real causes lie deeper. Their roots extend to a global economic system that takes more out of a poor continent than it puts in.

"Debts they cannot pay force African nations relying on commodity sales to overuse their fragile soils, thus turning good land to desert. Trade barriers in wealthy nations ...make it hard for African nations to sell their goods for reasonable returns, putting yet more pressure on ecological systems. Aid from donor nations... too often has reflected the priorities of the nations giving the aid, rather than the needs of the recipients."

The report contends that global military expenditures, now about \$1 trillion a year, use resources that might be employed "more productively to diminish the security threats created by environmental conflict and the resentments that are fueled by widespread poverty."(57)

<sup>11</sup> "Clearly, the Reagan administration is unwilling even to consider these issues, as it boycotted a three-week-long United Nations conference on disarmament and economic development, which began on August 24 1987. The U.S. State Department declared, "we are not participating because we believe disarmament and development are not issues which should be considered interrelated..." 128 Nations attended the conference. The U.S. was the only country to boycott it.(58)

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