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Real History

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CIA Involvement in Drug Trafficking

by Alfred McCoy

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"Allegations linking CIA secret operations and drug trafficking have persisted on and off ever since the Agency's founding in 1947. Rep. John Conyers, Dean of the Congressional Black Caucus, convened a special seminar on Capitol Hill to focus on the issue. A distinguished panel of experts discussed the new revelations as well as CIA covert actions in Southeast Asia. Their testimony is startling. [See the following transcript of Alfred McCoy's remarks]. The CIA was invited but declined to appear." --David Barsamian, Director, Alternative Radio

In August of last year, the San Jose Mercury newspaper in the San Francisco Bay Area reported that a syndicate allied with Nicaragua's CIA-backed contras had delivered tons of cocaine to Los Angeles gangs during the 1980s. The Mercury concluded, "The contra-run drug network opened the first conduit between Colombia's cartels and L.A.'s black neighborhoods. It's impossible to believe that the CIA didn't know." . . . The Congressional Black Caucus demanded an investigation. But CIA Director John Deutch shot back, "The Agency neither participated in nor condoned drug trafficking by contra forces."

This racially charged debate raises four questions about the CIA and drugs, questions which now, I believe, demand answers. Did the Agency ever ally with drug traffickers? Did the CIA protect these allies from prosecution? Did such alliances and protection contribute significantly to an expansion of global drug trade over the past fifty years? And finally, did the CIA encourage drug smugglers to target African American communities?

For the past quarter century I have been looking at this question, focusing on alliances between the Agency and the Asian drug lords during the half century of the Cold War. I believe that this history offers precise parallels, particularly the Afghan operation, that can shed considerable light on the current debate over alleged CIA involvement in the contra cocaine trade.

Throughout the Cold War, the CIA used gangsters and war lords, many of them drug dealers, to fight communism. As the Cold War ends, our list of CIA's assets who use their alliance with the Agency to deal drugs grows ever longer. It includes Marseilles Corsicans, Lao generals, Thai police, Nationalist Chinese irregulars, Afghan rebels, Pakistani intelligence, Haitian colonels, Mexican police units, Guatemalan military, and look through your local paper for further listings. During the forty years of the Cold War, government intelligence services-our own CIA included--forged covert action alliances with some of Asia's key opium traffickers, inadvertently contributing to an initial expansion of opium production. In one of history's accidents, a very important accident, the Iron

Curtain came crashing down along the Asian opium zone that stretches for five thousand miles from Turkey to Thailand, making these rugged, opium-producing highlands a key front of Cold War confrontation. During the Cold War, the CIA and allied agencies mounted operations in this opium zone. It found that ethnic warlords were its most effective covert action assets.

These leaders exploited the CIA alliance to become drug lords, expanding opium production and exporting refined heroin. The Agency tolerated such trafficking and when necessary blocked investigations. Since ruthless drug lords made effective anti-Communists, and heroin profits amplified their power, CIA agents, operating alone, half a world away from home, did not tamper with the requisites of success in such delicate operations. Surveying the steady increase in America's drug problem since the end of World War II, I can thus discern periodic increases in drug supply that coincide, if only approximately, with covert operations in the drug zones.

Let me now turn to Southeast Asia, the site of these earliest CIA alliances with drug lords. Let's look at the background here because the background is important. On the eve of World War II, most Southeast Asian governments sponsored state opium monopolies that sold legal smoking opium to registered addicts and generated substantial tax revenues. Despite this extensive opium consumption during the prewar colonial era, Southeast Asia had remained a major opium consumer but very importantly for our story, a very minor opium producer. In 1940, Southeast Asia harvested only fifteen tons in a region that produces today over three thousand tons. Why? Why was it so low before the war?

Since British colonial India supplied these colonial governments in Southeast Asia with limitless, low cost opium, Southeast Asian colonial governments had no reason to encourage local opium production. The sudden growth of the Golden Triangle opium production in the 1950s appears in retrospect a response to two stimuli: prohibition and protection. Let me look at each of these quickly.

Responding to pressures from the UN, Southeast Asia's governments abolished legal opium sales. They closed the legal opium-smoking dens between 1950 and 1961, thereby creating a sudden demand for illicit opium in the cities of Southeast Asia.

The second factor: protection. An alliance of three intelligence agencies, Thai, American and Nationalist Chinese, played a catalytic role in promoting the production of raw opium on the Shan Plateau of northern Burma. During the early 1950s, the CIA covert operations in northern Burma fostered political alliances that inadvertently linked the poppy fields of northern Burma with the region's urban drug markets. After the collapse of the Nationalist Chinese government in 1949, some of its forces fled across the border into Burma, where the CIA equipped them for several aborted invasions of China in 1950.

To retaliate against Communist China for its intervention into the Korean War, President Truman had ordered the CIA to organize these Nationalist elements inside Burma for an invasion of China. The idea was that the masses of southwestern China would rise up in revolt against communism and China would evidently pull its troops out of Korea, and our troops in Korea would be saved. The logic was bizarre, and the records for this operation remain secret, I suspect, because it was one of the most disastrously foolish operations mounted by any agency of the U.S. government.

After their invasions of 1950 were repulsed with heavy casualties, these Nationalist troops camped along the border for another decade and turned to opium trading to finance their operations. Forcing local hill tribes that produced opium, the Nationalist troops supervised a massive increase of opium production on the Shan Plateau of Burma. After the Burmese army evicted them in 1961, the Nationalist forces established a new base camp just across the Burma border in Thailand and from

there dominated the Burma opium trade until the mid-1980s. By the early 1960s, when this CIA operation finally ended, Burma's opium production had risen from fifteen to three hundred tons, thus creating the opium zone that we now call the Golden Triangle.

As in Burma, so in Laos, distance would insulate the Agency from the consequences of its complicity in the drug trade. Let's look at the background to Laos. During their own Vietnam War, French military integrated opium trafficking with covert operations in a complex of alliances that the CIA would later inherit. After abolition of the opium monopoly in 1950, French military imposed centralized covert controls over an illicit drug traffic that linked the Hmong tribal poppy fields of Laos with the opium dens then operating in Saigon, generating profits that funded French [covert] operations during their Vietnam War from 1950-1954. When America replaced the French in Vietnam after 1954, the CIA fell heir to these covert alliances and their involvement in opium trading. In Laos during the 1960s the CIA battled communists with a secret army of 30,000 Hmong highlanders, a secret war that implicated the CIA in that country's opium traffic. Although the Agency did not profit directly from the drug trade, the combat strength and covert action effectiveness of its secret army was nonetheless integrated with the Laotian opium trade. How and why?

The answer lies in the CIA's doctrine of covert action and its consequent reliance upon the influence of local military leaders or warlords. In Laos a handful of CIA agents relied on tribal leaders to motivate their troops and Lao generals to protect the cover of this operation. After fighting in Vietnam spilled over into Laos in 1965, the CIA recruited 30,000 Hmong highlanders into this secret army, making the tribe a critical CIA asset. Between 1965 and 1970 the Hmong guerrillas recovered downed U.S. pilots, battled local communists, monitored the Ho Chi Minh Trail, and, most importantly, protected the radar that guided the U.S. Air Force bombing of North Vietnam.

By 1971, according to a U.S. Air Force study, every Hmong family had lost members. To fight this secret war, the CIA sent in American agents in a ratio of one for every thousand Hmong guerrillas, numbers that made the Agency dependent upon tribal leaders who could mobilize their people for this endless slaughter. The CIA gave its chosen client, Hmong General Vang Pao, control over all air transport into Hmong villages scattered across the mountain-tops of northern Laos-the shipment of rice, their main subsistence commodity, into the villages and the transport of opium, the tribe's only cash crop, out to markets. With his chokehold over the household economy of every single Hmong family, General Vang Pao was transformed from a minor tribal warlord into a powerful man who could extract boy soldiers for slaughter in an endless war. Since opium trading reinforced the authority of these Hmong officers, the CIA found it necessary to tolerate the traffic.

The CIA's policy of tolerance towards its Laotian allies did not change even when they began producing heroin to supply U.S. combat forces fighting in South Vietnam. In 1968-1969, CIA assets opened a cluster of heroin laboratories in the Golden Triangle region where Burma, Thailand and Laos converge. When Hmong officers loaded opium on the CIA's Air America and the Lao army's commander-in-chief opened a heroin lab to supply U.S. troops in South Vietnam, the Agency was silent. In a secret internal report compiled in 1972, the CIA Inspector General said the following to explain their inaction: "The past involvement of many of these officers in drugs is well-known. But their goodwill considerably facilitates the military activities of Agency-supported irregulars."

All of this heroin was smuggled into South Vietnam. Where? By 1971, according to a White House survey, 34%, or more than one-third, of U.S. troops were addicted to heroin. Instead of trying to restrain drug trafficking by its Laotian assets, the Agency participated in, engaged in, concealment and cover-up. When I went to Laos to investigate in 1971, the Lao army commander very graciously opened his opium account books to me, but the U.S. Mission stonewalled. In a Hmong village where we were investigating opium shipments on Air America, CIA mercenaries ambushed

my research team. A CIA operative threatened to murder my Lao interpreter unless I quit my investigations. When my book *The Politics of Heroin* was in press, the CIA's Deputy Director for Plans pressured my publisher to suppress it. The CIA's General Counsel demanded deletions of all references to Agency complicity.

After my book was published, unaltered, CIA agents in Laos pressed my sources to repent and convinced investigators from the House Foreign Relations Committee that my allegations were baseless. Simultaneously, however, the CIA's Inspector General conducted a secret internal investigation that confirmed the core of my allegations: "The war has clearly been our overriding priority in Southeast Asia, and all other issues have taken second place," the Inspector General said in defense of their inaction on drugs. "It would be foolish to deny this, and we see no reason to do so."

Why didn't my exposé of CIA complicity produce a firestorm of protest back in the 1970s? Indeed, by 1974 Southeast Asian syndicates were supplying a quarter of the demand for U.S. heroin with Golden Triangle heroin. But Asia was too remote for any allegations of CIA complicity to pack a political punch.

Alfred McCoy serves as director of the federally funded Center for Southeast Asian Studies and holds degrees from Columbia University, Berkeley, and Yale. His testimony will continue in the next issue of NCX. The transcript of this special seminar on CIA secret actions and drug trafficking came to NCX from David Barsamian, noted journalist, interviewer, and Director of Alternative Radio.

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