
What War on Drugs?—Part II

Drug abuse is up, drug prices down: How George Bush botched drug policy

by Scott Thompson

Part I of this series, by D.E. Pettingell, exposed the policy of the Reagan administration and Congress of declaring war on sovereign nation-states where drugs are produced, rather than confronting the Eastern Establishment international banks that make drugs the most profitable business in the world. This article begins a series of reviews of publications from the Reagan administration and Congress on the status of the War on Drugs.

President Ronald Reagan and his wife Nancy used the opportunity of the Feb. 28-March 3 White House Conference for a Drug Free America to proclaim a major victory for the administration's "War on Drugs." President Reagan told conference participants, "We're fighting the crusade for a drug-free America on many fronts." He proceeded to name record seizures of drug-related assets, the shutting down of 682 clandestine laboratories, and the seizure of 92,000 pounds of cocaine. His wife Nancy escalated her demand-side campaign for youth to "Just Say No," by saying that it is the casual user of cocaine who buys the bullets that have nearly thrown Colombia and other countries into a bloody civil war with the Medellín Cartel and the narco-terrorists.

The truth is that despite new records being set by law enforcement agencies, the United States is on the brink of losing the War on Drugs. This was the substance of contrasting remarks by Rep. Charles B. Rangel, chairman of the Select Committee on Narcotics Abuse and Control, when he addressed the Conference for a Drug Free America on March 1. Rangel stated: "Our own President, our Attorney General, our White House Drug Adviser, all seem to be falling in line with the demand argument as a way of covering up their failure to address the issue." The issue, Rangel said, is that record amounts of drugs are still being supplied and record profits are being recorded by the banks that launder the estimated \$500 billion of illegal narcotics proceeds. The War on Drugs has been a dismal failure.

Two publications prepared by the Reagan administration

itself document this fact. The first is a General Accounting Office report entitled "Controlling Drug Abuse: A Status Report" that was specially prepared for the Conference for a Drug Free America. The GAO report gives the latest statistics on drug production, use, and law enforcement efforts in six major cities. It shows that production of every type of major drug (cocaine, heroin, marijuana) is up, prices are down, and the number of users is increasing with a dramatic shift from marijuana abuse to harder drugs such as cocaine and the more deadly "crack." The second report produced by the U.S. State Department's Bureau of International Narcotics Matters, titled "International Narcotics Control Strategy Report," was released on March 1. Its country-by-country survey shows that despite increased eradication and interdiction efforts, the drug problem is growing in most producing countries.

Cocaine: a losing battle

The Reagan administration has made cocaine production and abuse the number-one priority of its War on Drugs. On Jan. 28, 1982, President Reagan appointed Vice President George Bush to direct a special Cabinet-level task force on drugs, called the South Florida Crime Task Force. Some 350 agents were deployed from the FBI, Drug Enforcement Administration (DEA), the Army, the Navy, the Coast Guard, U.S. Customs, Bureau of Alcohol, Tobacco and Firearms, as well as local law enforcement, to stop the flood of cocaine entering the country from Colombia via Miami, Florida. Already by June 8, 1982, George Bush announced on the televised MacNeil-Lehrer Newshour, "Well, I think we've done a good job, and I think that we have reduced the flow of drugs from a torrent to a trickle."

Despite the vice president's claims about the success of the South Florida Crime Task Force, the "trickle" of cocaine coming through Miami still proves to be a torrent, according to the recently released statistics of the GAO. Over 80% of all cocaine seizures in the United States occur in the Miami-South Florida area. However, the price of cocaine (a prime

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EIR's Special Report, "Soviet Unconventional Warfare: The Case of Guatemala," shows who is trying to turn Guatemala into the newest wholly-owned plantation of the international drug mafia—and how to stop them. The U.S. State Department has maintained the Carter administration's boycott of aid for the Guatemalan anti-drug effort, on grounds of "human rights violations."

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indicator of availability) has dropped 50% over the last two years from approximately \$30,000 to \$15,000 per kilo. As of October 1987, this trend has continued, with kilogram prices falling to between \$9,000 and \$11,000. The reason is easy to see. While a record 8,000 pounds of cocaine was seized in the Miami area in 1987, local law enforcement officials estimate that at least 1,000-1,500 kilos of cocaine move through the area each week.

According to the DEA, average street-level purity of cocaine more than doubled from 1981 through 1986, while prices for the drug nationwide plummeted as they have done in Miami, indicating greatly increased availability. The National Survey on Drug Abuse found that the number of people who had ever used cocaine remained about the same from 1982 to 1985 (from 21.6 million to 22.2 million). However, the number of Americans over age 12 who were current users increased 38% (from 4.2 million to 5.8 million).

A new angle in the cocaine story is the deadly cocaine HCL base known as "crack" or "rock." A National Institute of Drug Abuse study in 1987 reported that 5.6% of high school seniors reported having used "crack" while 4% reported using it in the 12 months prior to the survey. The survey is believed to vastly underestimate the problem, because dropouts are more likely users of "crack" than those who finish the last year of high school. A study by the House Select Committee on Narcotics Abuse and Control found the "crack" problem "severe" now in several cities: New York City; Miami, Florida; Boston, Massachusetts; Newark, New Jersey; Detroit, Michigan; Houston, Texas; Portland, Oregon; Oakland, California; Minneapolis, Minnesota; Seattle, Washington; Los Angeles, and San Diego, California. "Severe" means that as many as 70% of the arrests for cocaine use and distribution were "crack"-related. Meanwhile "crack" sales and "crack" houses are beginning to be syndicated by larger and larger organizations in cities like New York, while several police departments report being "overwhelmed" by the crime wave arising from gang youths' abuse of "crack."

Latin American governments have not yet accepted that herbicide use is a viable method for meaningful coca control. It is now estimated that between 162,000 and 211,400 metric tons of coca leaf were cultivated in the Andes during 1987, some 59% in Peru's Upper Huallaga Valley, according to the U.S. State Department's latest report from the Bureau of International Narcotics Matters. An estimated 75% of the cocaine available in the United States is then processed in Colombia by the powerful Medellín Cartel for export to the United States, according to the National Narcotics Intelligence Consumers Committee.

Peru continues to be the world's foremost producer of coca leaf, with 1987 production rising to about 109,000 metric tons. Enforcement efforts (despite cooperation with the United States by Peru's President Alan García) continue to be hampered by the terrorist acts of the traffickers, and violence from political insurgent groups such as Shining Path (Sendero Luminoso) and the Tupac Amaru Revolutionary

Movement (MRTA), which fund their terrorism with narcotics proceeds.

Narco-terrorism also hampers enforcement efforts in Colombia, where it is ultimately controlled by the Medellín Cartel in partnership with the Soviet Union and Cuba. Although Colombian President Virgilio Barco has proven to be "narco-tolerant," he is facing a near civil war because of narco-terrorism. Medellín Cartel drug lord Carlos Lehder was extradited to the United States, but a key trafficker, Jorge Ochoa, succeeded in gaining release from a Colombian prison. Subsequent to Ochoa's release, U.S. Customs officials concluded that little control existed over narcotics traffickers operating in Colombia, so they have increased their interdiction efforts through physical searches at borders. A major weapon in the drug arsenal was lost when the Colombian Supreme Court invalidated implementing legislation for the U.S. extradition treaty and denied President Barco certain state of siege authorities.

Heroin: growing supplies

Estimates of the heroin addict population within the United States have remained relatively stable since the 1970s, with the last estimate in 1981 showing approximately 500,000. According to the National Narcotics Intelligence Consumers Committee Report of 1985-1986, the average age of heroin users has continued to increase, and this population consists mostly of long-term users.

One of the most significant trends in the heroin market during the 1980s has been the emergence of Mexican "Black Tar," a crudely processed, highly potent form of heroin. While the purity of most heroin on the street ranged from nearly 4 to more than 6% over the 1980 to 1986 period, purities of 60 to 70% for "Black Tar" were common.

DEA's chemical analysis of heroin revealed that of the samples analyzed in the first six months of 1986, Mexican heroin accounted for 41%, Southwest Asian ("Golden Crescent") heroin for 40%, and Southeast Asian ("Golden Triangle") heroin for 19%. In 1985, these three areas combined produced approximately 1,500 metric tons of opium. Of this amount, about 60 metric tons were used to produce the nearly 6 metric tons of heroin available in the United States that year. In 1986, total estimated opium production was increased in these three areas, with estimates ranging from 1,680 to 2,815 metric tons. While the size of the addict population has remained constant in the United States, it has soared in other countries.

Worldwide opium production increased in 1987, with the largest percentage of increases in the Golden Crescent and Mexico. The surprising increase in opium production was in Mexico where new estimates place opium production, thought to be between 35 and 50 metric tons in 1986, in a higher range of 45-55 metric tons after extensive eradication efforts in 1987. The Mexican government has committed its military as well as its police force to the War on Drugs. The number of hectares of opium poppy eradicated increased marginally

in 1987; however, this did not halt an increase in supply. To improve joint law enforcement cooperation, Mexico signed and ratified a mutual legal assistance treaty and agreed to cooperate in a number of ways with the U.S. in "Operation Alliance" set up to carry out interdiction efforts along the 1,900-mile border.

Afghanistan increased production with the approval of the Kabul regime and its Soviet backers. Current production figures for the Golden Crescent total between 735 and 1,360 metric tons. Just as the Soviet regime has encouraged opium cultivation in areas of Afghanistan, so the Soviets' client state of Syria has encouraged both terrorism and narcotics production in the Bekaa Valley of Lebanon, which Syrian troops and militias control. Iran and Pakistan, both producing countries in the "Golden Crescent," still produce barely enough for sizable domestic addict populations. But, while the government of Pakistan has cooperated with the United States in opium eradication and interdiction efforts, the governments of Syria, Afghanistan, and Iran have permitted such trafficking to flourish without cooperation in U.S. law enforcement efforts.

The rate of increase in opium production in the Southeast Asian "Golden Triangle" was not as sharp as in Mexico and the Golden Crescent. This is partly because the Thai government has engineered a major program of eradication and interdiction of its share of "Golden Triangle" opium production. However, the region continues as the world's largest opium producer, cultivating between 1,095 and 1,575 metric tons. Burma continues to be the world's largest opium producer, with 1987 production estimated at 925-1,230 metric tons, compared to 700-1,100 metric tons in 1986. Burmese government agencies destroyed 16,279 hectares of opium poppy in 1987, despite having to curtail spraying to counter a major offensive by the Burmese Communist Party, which controls a substantial portion of the prime opium growing area.

Opium production in Laos is estimated to be between 190-300 metric tons in 1988. Production of heroin has increased significantly, amid charges that Laotian officials and companies are involved in the narcotics trade. The British Crown Colony of Hong Kong is still considered to be the premier narcotics money-laundering center for Golden Triangle narcotics trafficking. It is also an important transit center.

With the concentration of the War on Drugs on cocaine trafficking from Latin America, there have been fewer checks upon heroin and marijuana production and trafficking.

Marijuana use down slightly

Based on the National Institute of Drug Abuse's 1985 national survey on drug abuse, an estimated 61.9 million people over age 12 had used marijuana at least once in their lifetime and 18.2 million people were current users. This level compares to the 1982 estimates of 56.3 million people who had used marijuana at least once and 20 million who

were current users. The High School Senior Survey also showed a decline in current users of marijuana (from 33.7% in 1980 compared to 21% in 1987) and in the percentage of students who had ever used the drug (from 60.3% in 1980 to 50.2% in 1987).

According to the National Narcotics Intelligence Consumers Committee report, in 1986 approximately 82% of the marijuana was smuggled in from foreign countries with Mexico supplying

1982, 6% of the U.S. supply came from Mexico and 57% from Colombia. Foreign marijuana cultivation increased, after eradication, by 25% during 1987, with more than half of the increase occurring in Mexico and Colombia. Total marijuana production in countries supplying the U.S. market was in the range of 10,930-17,625 metric tons.

Despite significant gains in marijuana eradication and seizures in source countries, marijuana availability increased during last year. The other significant trend in the marijuana picture has been the shift from regular abuse of marijuana to harder drugs such as cocaine and "crack."

George Bush: wimp in the War on Drugs

President Reagan placed George Bush in charge of the premier South Florida Crime Task Force. When cocaine traffickers began to shift from South Florida, the vice president was again named in March 23, 1983 by President Reagan to head the National Narcotics Border Interdiction System Administration (NNBIS), which set up six regional offices and is still coordinated out of Bush's office.

George Bush has been a loser in the War on Drugs for two reasons, according to informed sources. First, sources report that Bush is afraid a banking collapse would result from a tough crackdown on the major banks involved in laundering the \$500 billion in narcotics money, thereby ruining Bush's chances to become President. Secondly, through his position on the National Security Council, sources report that Bush diverted his South Florida Crime Task Force into a virtual front for the secret war being waged by the Contras.

The war against U.S. and offshore banks responsible for laundering the \$500 billion in illegal narcotics trafficking proceeds ground to a halt when Assistant Secretary of the Treasury for Enforcement and Operations John Walker was forced out of his post in 1985. On Feb. 7, 1985, the Swiss financial giant *Crédit Suisse* was caught red-handed in a multi-billion dollar money-laundering scheme directed out of the staid offices of the First National Bank of Boston, the flagship institution of the Boston Brahmins' Bank of Boston Corporation. The case was handled by then-U.S. Attorney William Weld (since promoted to Assistant Attorney General in charge of the Criminal Division), who collapsed 1,163 separate documented cases of criminal felony, involving \$1,218,682,281 in hot money, laundered in and out of nine foreign banks, into a one count indictment—for which the Bank of Boston was fined a slap-on-the-wrist \$500,000 in a

plea bargain! In his prosecution, Weld overlooked ties between the Bank of Boston and the Angiullo organized crime family of Boston. The Bank of Boston case was the last major money-laundering case brought by the Reagan administration.

As *EIR* has elsewhere documented, based upon recent congressional testimony corroborated by other sources, Bush's involvement with the "Narcontras," who are known to be trafficking in cocaine and marijuana to support their covert war against Nicaragua, has completely compromised the vice president in the War on Drugs. This charge is especially true of Bush's national security adviser Donald Gregg, a pivotal player with the NSC's Lt. Col. Oliver North in the Central America policy, who may be facing indictment by Special Prosecutor Lawrence J. Walsh for his role in the Iran-Contra scandal. Through his dealings with former Cuban CIA agent Felix Rodríguez (aka Max Gomez), both Gregg and the vice president are implicated in a \$10 million payoff by the Medellín Cartel to the Contras, in exchange for lifting some of the law enforcement pressure upon the Medellín Cartel. (See "George Bush sinks deeper into Iran-Contra scandal" by Scott Thompson in *EIR* Vol. 15, No. 5, Jan. 29, 1988).

Bush's NNBIS has drawn criticism from his own staff, from the DEA, from Congress, and from the GAO, yet the vice president continues to make grandiose claims about the United States winning the War on Drugs. On May 28, 1984 Adm. Daniel Murphy, then chief of staff for Vice President George Bush and Washington coordinator of the administration's anti-drug campaign, was forced to admit: where we are winning the war on cocaine." Bush disagreed with his chief of staff.

The same was heard in a special memorandum released to Congress that was drafted by then DEA administrator, Francis W. Mullen, Jr., who wrote to Attorney General William French Smith charging that Bush's NNBIS has been presenting "grandiose claims" and taking "false credit" in the War on Drugs. "If NNBIS continues unchecked it will discredit other federal drug programs and become this administration's Achilles Heel for drug law enforcement," Mullen wrote.

On July 18, 1985, the GAO told the House Government Operations Subcommittee that NNBIS was having only a minimal effect on the tide of illegal narcotics being shipped across U.S. borders. Finding that NNBIS was only responsible for 39 out of 2,289 interdiction cases, William J. Armstrong, who headed the GAO study of NNBIS, told the House that:

number of drugs coming into the country continues to go up. . . . If the initial purpose of all our drug efforts is to reduce the availability on the street, then measured by this we are not doing well." A congressional staff member concluded, "NNBIS is a brilliant political stroke, but a lousy agency." NNBIS is one of the premier agencies created by President Ronald Reagan in his aborted War on Drugs.