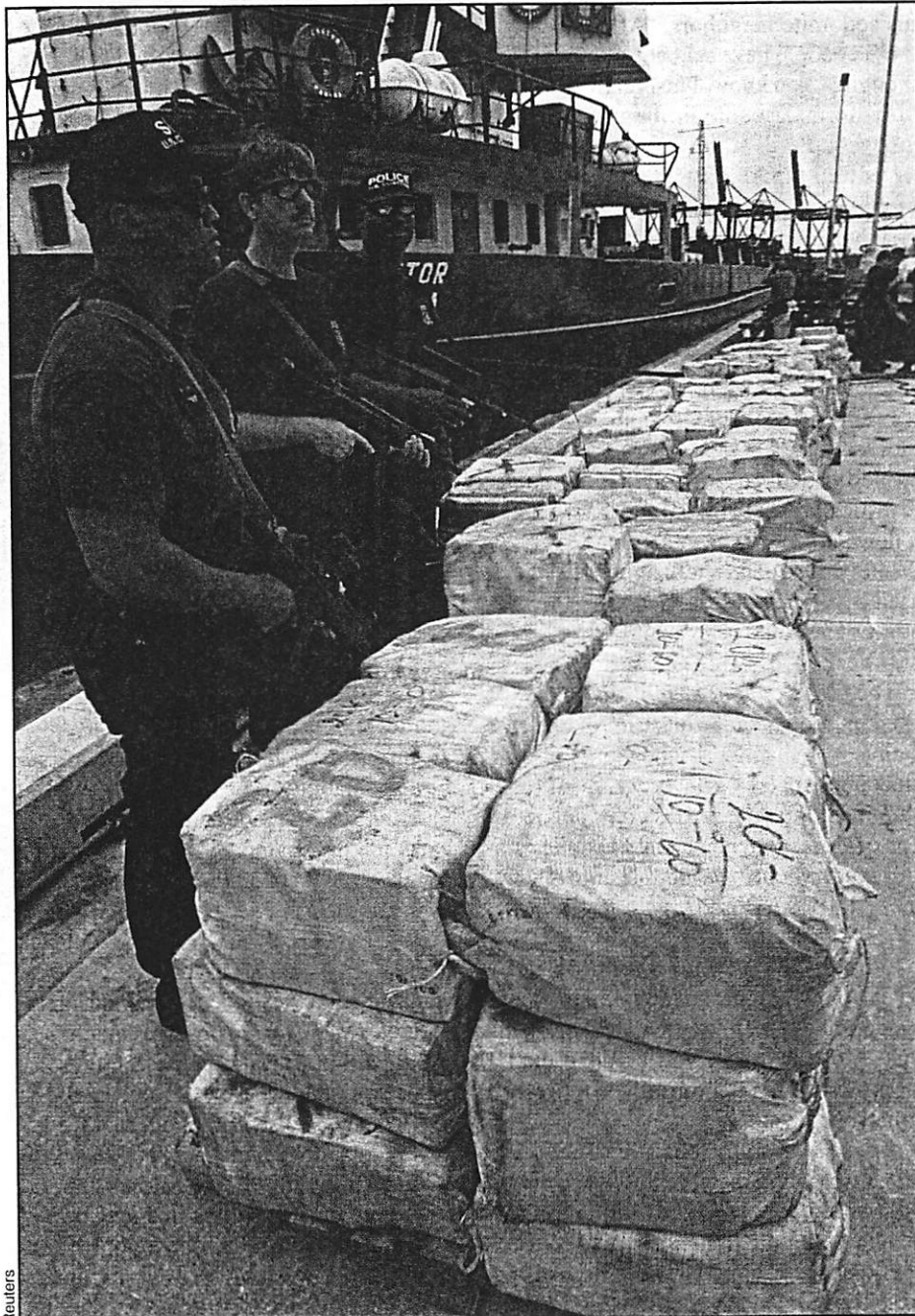


Drug War on the West

An undeclared war is being waged against the United States in the form of a long-range, sustained drug offensive by Red China and Russia. Why do U.S. officials suppress this information?



Reuters

Heavy munitions: U.S. Customs officers guard 10,000 lbs. of cocaine seized by the Coast Guard from the hold of the Panamanian merchant vessel, *Castor*. In the ongoing war to undermine Western civilization, illicit narcotics are the weapons of choice.

by Joseph D. Douglass, Jr.

After decades of political sloganeering, hand-wringing, legislating, and throwing tens of billions of dollars into the "War on Drugs," are we any closer to victory over this insidious scourge? The question would be laughable, if it were not so deadly serious. Illicit narcotics of every type are more widely available than ever before, prices are lower, and drug potency has increased. Heroin, for example, is now available that is 90 percent pure. Teen usage dipped temporarily from 1988 to 1992, but then resumed its upward climb.

The U.S. annual body count in this war surpasses the total casualties we suffered during the entire ten-year Vietnam War. Violence and mayhem follow in the wake of the drug plague, as night follows day, and have been visited upon every corner of our land. Far too many of our schools, playgrounds, and streets have become battlefields. A three-year study released in 1998 by the National Center on Addiction and Substance Abuse at Columbia University in New York found:

- Forty-one percent of first-time offenders in state prisons were regular drug users.
- Eighty-one percent of prisoners with five or more convictions were habitual drug users.
- 1.4 of the 1.7 million people serving time in the nation's jails and prisons committed crimes while they were high, stole property to buy drugs, have a history of substance abuse, or are in jail for violating drug or alcohol laws.

With annual profits, just in the U.S., now in the \$100 billion to \$200 billion range, the narcotics "industry" has been able to effect widespread corruption of our political, judicial, law enforcement, legal, accounting, banking, and business communities. Police corruption has been a feature on the front pages of the newspapers in most major U.S. cities: New York, Philadelphia, Miami, Los Angeles, Cleveland, Detroit, Chicago, New Orleans, and Washington, D.C. Federal agencies, such

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as the Drug Enforcement Administration, the U.S. Customs Service, the Immigration and Naturalization Service, the Justice Department, and the Border Patrol, have also been affected. The drug profits are now so enormous and confer such immense corruptive power that we are in very real danger of rapidly devolving into an abyss of utter chaos and corruption. Think Mexico, Colombia, Panama — only much worse.

Center of Military History



G.I.s targeted: Communist forces during the Vietnam War employed drugs against U.S. Soldiers. "Some of the American soldiers are trying opium, and we are helping them," said Chinese Communist Chou En-lai, who directed the Red drug offensive.

Prescriptions for Disaster

What can we do? First of all, what we must not do is fall for the false alternatives that are being offered by the same failed experts who have put us in our current dilemma. Those "alternatives" usually run along one of the following lines :

- "Stay the course." Keep muddling along, but muddle harder.
- "Get tough." Federalize all law enforcement and implement full-bore military-police state action.
- "Legalize, decriminalize." Remove the huge profit margins of drugs as contraband and tax them as we do liquor and tobacco.

Each of those nostrums is a prescription for utter disaster. We do not have the luxury of time to waste on more foolish social experimentation. What, then, can we do? What must we do?

First of all, we must face the truth. That is often the hardest part of any difficult task, and there truly are some very hard truths for us to face in dealing with the drug monster that has us in its deadly grip. Such as, what — or who — is the cause of the drug epidemic. To begin our search for the answer to that all-important question, let us refer you to the 1988 ABC-TV special entitled "Drugs: A Plague Upon the Land," narrated by Peter Jennings. Mr. Jennings concluded that program with this unexpected observation:

If this is a war on drugs — and everyone from the President on down calls it that — shouldn't it be fought like one?

If we could prove that the drug problem in the United States was directed by a Communist power, what do you think would happen then?



U.S. Army

Wouldn't the government be mobilized? Wouldn't the best minds in the country be enlisted to plan strategy? There'd certainly be no limit to the amount of money available to fight the war. Every institution in the country would be involved. No one would say, "It doesn't affect me."

Now, Jennings was not suggesting that there was a Communist power behind the drug trade. To the contrary, he was offering that scenario in such a way as to suggest that it had not the slightest resemblance to reality. He was merely using it as an example to raise an important question: Namely, why was the United States not fighting a serious war on drugs? Nevertheless, in

using this example, he indirectly raised what might be an even more serious question: Namely, if there *were* a Communist power behind the drug trade — the Soviet Union, Red China, or Cuba, for example — *who would believe it?*

But the awful truth is that the scenario Jennings painted is strikingly accurate. Even more awful is the fact that the super-abundant evidence supporting this scenario has been pointedly ignored and frequently suppressed by many of America's top lead-

Our government's role in abetting international organized crime is illustrated by the State Department's dogmatic refusal to recognize the fact that the global narcotics trade has been a state-run business of Communist Cuba since 1961, Russia since 1956, and Red China since 1949.

America's leaders insist that we must continue to send billions of American tax dollars to the "reformers" in Moscow, even as those "reformers" return our favors with ever larger shipments of drugs.

ers — in both Democratic and Republican administrations — for the past several decades.

Target: USA

Our government's role in abetting international organized crime is illustrated by the State Department's dogmatic refusal to recognize the fact that the global narcotics trade has been a state-run business of Communist Cuba since 1961, Russia since 1956, and Red China since 1949. The consensus-forming elites in our government, media, and academia have steadfastly refused to acknowledge what overwhelming proof has made patently obvious: The United States has been targeted as an act of war and is the victim of a long-range, sustained, vicious drug offensive.

What kind of "overwhelming" evidence are we talking about? The type of credible and desirable evidence that every military strategist and every organized crime investigator would covet when engaged in a conflict with a cunning and ruthless adversary: Confessions and detailed eyewitness testimony from multiple high-level defectors; enemy documents, physical evidence, and inside intelligence obtained by one's own undercover agents; intelligence obtained by technical means (wiretaps, aerial and satellite reconnaissance, etc.); money trails and networks tied to the adversary's operatives; and a strategy, methodology, and pattern of behavior that is consistent with the opponent's past strategy, methodology, and behavior.

We should state clearly at this point what we are *not* claiming. We are not saying that the entire global drug problem is a Communist plot, or that all (or even most) of the producers and traffickers of narcotics are motivated by Marxist-Leninist ideology and directed by Party discipline. Nor is anyone else we are aware of suggesting that kind of simplistic analysis. Nevertheless, the inescapable truth, as we

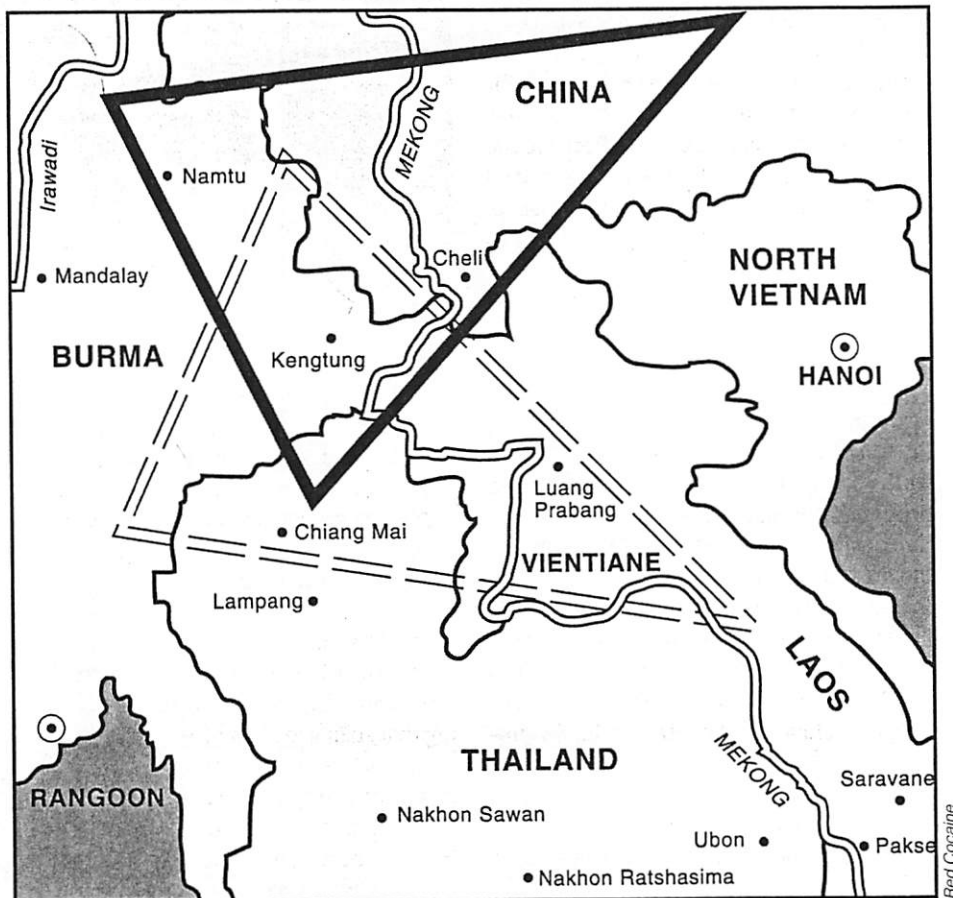
shall show, is that decades ago the Leninist strategists in China and the Soviet Union devised elaborate long-range plans to use drugs as a "softening up" weapon in the World Revolution. They penetrated and took over many existing criminal syndicates and drug operations and started many of their own. They vastly increased the world output of narcotics and expanded enormously drug trafficking and marketing operations worldwide. They are operating them still.

China's Drug Connection

As early as 1928, Chinese Communist leader Mao Tse-tung initiated opium cultivation at his first major guerrilla base constructed in Kiangsi. His orders to his cadres at the time were to use the opium to

"trade for supplies and poison [drug] the white areas." In this instance, the term "white" was used in the classical Bolshevik sense, to refer to the areas controlled by the non-Reds. So, very early on, the Red Chinese developed the drug weapon for a dual purpose: to raise funds or use as barter; and to morally undermine the opposition. After capturing a region, Mao would outlaw use of all narcotics and bring all opium production under Communist control, making it exclusively an instrument of the state for use against its enemies.

After gaining control of all of mainland China in 1949, Mao rapidly expanded his export of heroin to Japan, all of Asia, and the United States. The supervision of China's narcotics operation throughout the 1950s and 1960s was entrusted to Mao's henchman Chou En-lai. During the Korean War, both the Soviets and the Red Chi-



The "Golden Triangle": In the 1970s, the CIA, in an effort to delineate the "Golden Triangle" — the main heroin producing area in the world — drew up the solid triangle seen on the map above. Their analysis, sent to a White House commission chaired by Henry Kissinger, was changed to reflect the position on the map indicated by the triangle with dashed lines in an effort to exculpate the Red Chinese.

nese assisted the North Korean Communists and utilized drugs as a weapon in that conflict. The Reds used drugs in a two-fold capacity: to undermine the effectiveness and morale of the GIs at targeted bases; and to experiment on captured prisoners of war.

Following the Korean War, the Red Chinese fine-tuned their drug strategy against French soldiers — with devastating effect — during the French Indochina War. And that was the warm-up for their major drug offensive against the U.S. during the Vietnam War. In 1958, as U.S. military personnel began to increase in South Vietnam, Comrade Chou En-lai told the Party faithful in Wuhan:

Every one of you must awake to the fact that the war in Vietnam is likely to escalate and US imperialism has determined to fight against our revolutionary camp by increasing its military force in Vietnam.... From the revolutionary point of view, the poppy is a great force to assist the course of our revolution and it should be used.... By exporting large quantities of morphine and heroin, we are able to weaken the U.S. combat force and to defeat it without fighting at all.

Harry Anslinger, the U.S. Commissioner of Narcotics, worked tirelessly throughout the 1950s to expose the danger. The mafia, he repeatedly pointed out, was not the biggest drug pusher. By far the biggest drug dealer was Red China. But after Anslinger retired in 1962, the pro-China forces at the State Department spiked most information concerning China's drug operations.

In 1971, Mohammed Heikal, a publisher and confidant of Egyptian President Gamal Abdel Nasser, published *The Cairo Documents*, a book in which he reported a conversation that had taken place between Chou En-lai and Nasser in 1965. Chou told his fellow revolutionary:

The more troops they [the U.S.] send to Vietnam, the happier we shall be, for we feel we shall have them in our power, we can have their blood.... Some of the American soldiers are trying opium, and we are



Honest Marine: General Lewis Walt argued that the drug epidemic in Vietnam was meant "to hook as many GIs as possible ... as hard as possible."

helping them. We are planting the best kinds of opium especially for American soldiers in Vietnam. We want them to have a big army in Vietnam which will be hostage to us and we want to demoralize them. The effect which this demoralization is going to have on the United States will be far greater than anyone realizes.

In March 1970, John E. Ingersoll, director of the Bureau of Narcotics and Dangerous Drugs, told a House subcommittee on appropriations that China's Yunan Province was one of the principal sources of the flood of heroin that was entering the West Coast of the United States. Drawing on massive intelligence from a wide spectrum of sources, the CIA drew a map of the "Golden Triangle" area of Asia, the main heroin-producing region in the world (see map on preceding page). However, the map was sent to the White House's Ad Hoc Committee on Narcotics, chaired by Henry Kissinger, and when it emerged it had been altered to exculpate Kissinger's friends in Peking. Moreover, Kissinger stopped reconnaissance overflights of Chou's opium operations in Burma to avoid endangering détente with Red China. Selling the fiction of a friendly and changing China, the Nixon administration turned a blind eye to the PRC's escalating drug business.

Marine General Lewis Walt was one of many U.S. officials who tried to sound the alarm but were ultimately muzzled. In testimony before the Senate Internal Security Subcommittee in 1972, Walt stated:

In June of 1970, immediately after our Cambodian incursion, South

Playing the Race Card

One of the most insidious aspects of the Communist drug offensive is the conscious targeting of racial minorities in the United States. High-ranking Communist defector General Major Jan Sejna revealed that, shortly before his defection in 1968, a study was prepared for the Czechoslovak Defense Council entitled *Minorities and Immigrants in the United States*. The report formalized the strategy of drugging the minorities in the revolutionary process. The two key minorities to be targeted were Blacks and Hispanics.

The thesis of the report was that drugs pushed into minority communities would create "incurable political destruction." It estimated that, as a result of this operation, by the year 2000 the minority populations would be hopelessly mired in vice, crime, and corruption. This would fragment and destabilize society, greatly antagonize race relations, encourage racism, and create innumerable opportunities for revolutionary exploitation. Under direction from Moscow, Castro's minions recruited and trained Cubans, Haitians, Jamaicans, Dominicans, and Mexicans to pump narcotics into the American Black and Hispanic communities. This diabolical, genocidal scheme has been devastatingly effective. Which makes all the more remarkable (and damnable) the continued embrace of Castro by minority "leaders" such as Jesse Jackson, Maxine Waters, Charles Rangel, Al Sharpton, Nydia Velasquez, Bert Corona, Dolores Huerta, Loretta Sanchez, et al. ■

— JOSEPH D. DOUGLASS, JR.

The hard truth is this: The war on drugs has not failed; it has never really existed. Like the Korean War and Vietnam War, it has been a "no-win war," with "rules of engagement" treacherously crafted to cripple our own forces and protect the enemy.

Vietnam was flooded with heroin of remarkable purity — 94 to 97 percent — which sold at the ridiculously low price of first \$1 and then \$2 a vial. If profit-motivated criminals were in charge of the operation, the price made no sense at all — because no GI who wanted to get high on heroin would have batted an eyelash at paying \$5, or even \$10. The same amount of heroin in New York would have cost \$250. The only explanation that makes sense is that the epidemic was political rather than economic in inspiration — that whoever was behind the epidemic wanted to hook as many GIs as possible, as fast as possible, and as hard as possible.

Then as now, it was not so much a problem of demand (as so many "experts" insist), but an increase in consumption driven by *supply*. General Walt made no bones about the fact that the "whoever" behind the epidemic was China. Walt was appointed to a presidential commission on drug trafficking in Vietnam, but the commission's report was classified and suppressed. The general later confided that the order to keep silent about China's role was the most damnable order he had ever received.

Soviet Connection

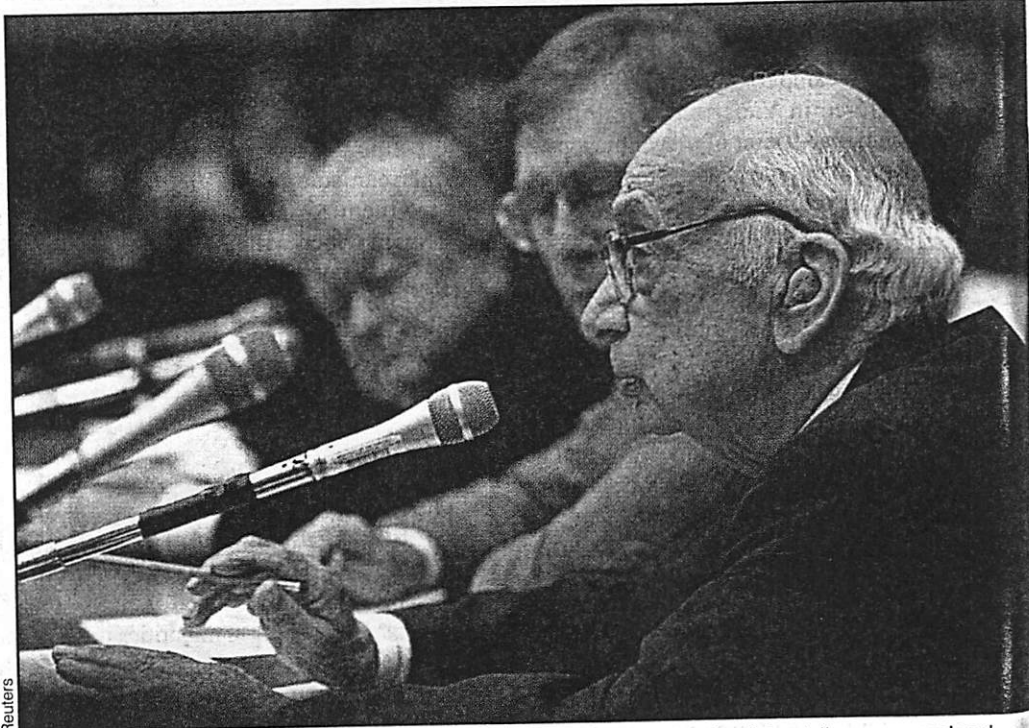
Meanwhile, the Soviets were also well into a major expansion of their global narcotics operation. Although there are other sources of information on this topic, we are especially beholden to one man, the late General Major Jan Sejna, for the most detailed and invaluable knowledge about this strategic threat. General Sejna remains, to my knowledge, the highest positioned Soviet Bloc official ever to seek political asylum in the West. Besides being Secretary of Czechoslovakia's powerful

Defense Council, Gen. Sejna was also Military Chief of Staff and a member of the Central Committee of the Communist Party, the National Assembly, the Presidium, the Kolegium, and the Administrative Organs Department. He was a top-level, decision-making Party official who met regu-

larly with the highest officials of the Soviet Union and other Communist countries. He participated in many of the most important decisions of the Cold War and was present during the inception, planning, and implementation of Soviet narcotics trafficking operations. Over the course of nearly 30 years, from his defection in 1968 to his death in 1997, his information

— went into the drug business in 1956. They then helped Cuba get into the trade in 1960. The Cuban and East European intelligence services, operating as subsidiaries of Soviet intelligence, had established massive narcotics production and distribution organizations throughout Latin America by 1965. The massive cocaine flow into the United States is mainly the result of Soviet intelligence surrogate operations.

In 1960 the Soviets tested various drugs on prisoners and concluded that cocaine was the wave of the future — a "Pink Epidemic," as they termed it, combining the white plague (cocaine) with the red plague (Communism). The Soviets set about to build dedicated cocaine trafficking networks, centered in Bolivia, Peru, and Colombia. They gave the Cubans the task



Drug offensive exposed: The author (center) looks on as General Major Jan Sejna tells a congressional panel about Communist drug efforts. The highest positioned Soviet Bloc official to seek asylum in the West, Sejna had decision making authority in the Communist drug offensive.

proved to be of extraordinary quality. Lieutenant General James Clapper, former director of the Defense Intelligence Agency, stated that Sejna had "provided reliable information to the U.S. intelligence community for many years."

Sejna provided detailed data on how Soviet intelligence services — not only the KGB but the GRU (military intelligence)

of learning existing production techniques. Tasked to help the Cubans modernize production techniques, the East Germans developed methods so efficient that one factory could produce more than three times what was then the total cocaine output of Peru, Bolivia, and Colombia. The surrogate Soviet narcotics operation came on line in 1967, which is almost precisely

when the United States experienced a massive explosion of cocaine use.

Integral to the Soviet global drug strategy was a plan to infiltrate all indigenous organized crime syndicates and to establish new Soviet Bloc-sponsored and -controlled crime organizations throughout the world. The benefits are obvious. Existing criminal syndicates have what the revolutionists can put to good use: information on corrupt politicians, judges, military officers, police officials, bankers, and businessmen; established channels and experience in smuggling; and entree to a ready-made underworld that can facilitate the spread of their drug products. Another integral part of this effort was the sponsoring of terrorist groups to destabilize the targeted countries and prepare a revolutionary environment.

The Czechs and Cubans collaborated closely, under Soviet tutelage, to penetrate Latin America and establish an organized crime network. In this regard, Sejna worked directly, on a number of occasions, with Raul Castro, Fidel's brother and Minister of Defense, to develop the drug/organized crime/terrorist operations. Their efforts were wildly successful, especially in Colombia, Mexico, and Panama.

General Sejna's information has been validated by many means, including corroborative testimony from defectors from Cuban intelligence (DGI), the Nicaraguan Sandinista regime, and the drug cartels in Colombia, Panama, and Mexico. DGI defector Mario Estevez Gonzalez, for instance, told a congressional committee in 1983 that he had been ordered "to load up the United States with drugs." DGI officer Rene Rodriguez-Cruz has stated that, according to Fidel Castro, "drugs are the best way to destroy American society without troops or guns." DGI Major Florentino Aspillaga Lombard has confirmed the long-term, personal involvement of the Castro brothers in the drug trade and has noted that it would be impossible for these operations to have been carried out without the personal approval of Fidel.

Nicaraguan intelligence officials Alvaro Jose Baldizon and Roger Miranda Bengeochea have provided insider information connecting the top levels of Castro's narco-terrorist operation to top Sandinista lead-



Frightening implications: Cuban drug kingpin Jorge Cabrera gained access to Vice President Gore as well as President Clinton. How badly this has compromised national security remains to be seen.

ers Tomas Borge and Umberto Ortega. Cuban intelligence official Gerardo Peraza has confirmed Gen. Sejna's information that the Cuban DGI is completely subservient to the Soviet KGB (now Russian FSB). Additional defectors and mountains of evidence have proven beyond reasonable doubt that Castro and his Soviet/Russian masters are neck deep in the global drug offensive. Fidel attempted to dodge the damning evidence over a decade ago by arresting and executing a few subordinates and claiming that their drug activities were rogue operations. None but the willfully blind or hopelessly gullible (and, unfortunately, there is an abundance of each) bought that story then. And since that time, more evidence has continued to pile up proving that the Moscow-Havana drug cartel is as active as ever.

Evidence Ignored

All of the aforementioned information — and much more besides — has been available to American government officials for many years. They have pointedly ignored and suppressed it, and successfully prevented others from making it more well known. Some of them feign ignorance, asking: "Although the Russians, Cubans, and Chinese and their surrogates may have been involved in the past, is there evidence

they are still involved today?"

Yes, there is abundant evidence of the continuity of the Red drug strategy. Mao's Communist heirs in China have vastly expanded their drug trade. The KGB/GRU and their subsidiaries are alive and well as ever, though they have undergone some cosmetic reshuffling and name changes. Their drug trafficking operations have escalated dramatically and are more open now since they are carried out by front organizations which our government obligingly refers to as the "Russian mafia," the "Dominican mafia," the "Haitian mafia," etc. Thanks to the protected sanctuary that our government's "Hear no evil, see no evil, speak no evil" policies have given them, the Red mafia dons can "hide in plain sight," as the saying goes.

How else does one explain the astounding fact that notorious drug lords, such as Jorge Cabrera (Cuba), Grigori Loutchansky (Russia), and Ted Sioeng (China) have not only had unparalleled personal access to the White House during the current Clinton-Gore dominion, but their associations with, and contributions to, the President have caused barely a temporary ripple of concern about the potential national security implications? Certainly there have been no serious attempts by the media sleuths to search out and expose the con-

nections of these criminals to the strategic Red drug trade.

Cabrera, you may recall, got caught in 1996 bringing three tons of cocaine into the United States. Cabrera, reportedly, supplied federal prosecutors with evidence of "large scale drug-dealing by the Cuban government." He was certainly in a position to have that evidence, having been one of Castro's privileged drug merchants. But the Clinton Justice Department locked up Cabrera's evidence as well as Cabrera. Russian mobster Loutchansky, another Clinton financial angel, headed Nordex, a KGB front corporation infamous for international drug trafficking and arms smuggling operations. San Won "Ted" Sioeng, one of the largest illegal donors to Clinton's DNC political slush fund, is an agent for Red China and a "business partner" of Cambodian drug kingpin Theng Bunma.

The Clinton administration pretends to have a serious effort underway to interdict drug shipments from Colombia. A major part of this effort is the Joint Interagency Task Force (JITF) headquartered at Bone Key, Florida. A report by the JITF in early 1998 offers the typical Clinton viewpoint on "Colombian" narcotics traffic in Cuban airspace and Cuban territorial waters. The report declared that, during the previous six months of 1997, 39 drug flights had passed through — or "near" — Cuban airspace, while Cuban territorial waters were used for many drug shipments. Nevertheless, the Clintonites accepted Castro's absurd assertions that he was doing everything possible to stop these "unauthorized" incursions by drug smugglers.

Representative Lincoln Diaz-Balart (R-FL) was decidedly more credible. He charged: "The participation of the [Castro] tyranny in narco-trafficking has not diminished, but has increased. And the Clinton Administration continues systematically covering up that participation in spite of the fact that the North American intel community knows the details of said participation very well."

Strategic Deception

Space does not permit us to deal here with the larger issue of Soviet long-range strategic deception, of which the drug offensive is a key part. Over the past ten years, the Soviet strategists have succeeded in pulling off the most spectacular deception

in history. They have convinced virtually the entire world that the once-feared Evil Empire is no more, that Communism has collapsed, that, having won the Cold War, we can now rejoice and relax. But it is a lie, an elaborate, deadly delusion — as has been very ably demonstrated in the terrifyingly accurate analyses and forecasts provided by KGB defector Anatoliy Golitsyn. In his book *New Lies for Old* (which was completed in 1980 and published in 1984), Golitsyn uncannily predicted, among



A rising tide: According to Congressman Lincoln Diaz-Balart (R-FL), Castro's participation in "narco-trafficking has not diminished, but has increased."

other things, the emergence of a Gorbachev-style "reformer" who would preside over the dismantling of the Berlin Wall and the "liberalization" of the Soviet empire.

Having carefully studied Soviet long-range deception strategy for many years — from both the inside and the outside — Golitsyn is uniquely qualified to assess developments in the "former" Soviet Union. No other observer has come remotely close to matching the accuracy of his analyses. Golitsyn has repeatedly warned that the Soviet "collapse," with its attendant upheaval and apparent changes, is a stupendous deception designed to lure the West to its destruction. His 1995 book, *The Perestroika Deception*, by far the most reliable

assessment of developments in "post-Soviet" Russia, leaves little doubt that beneath the surface mask of turmoil and "reform," there runs a continuity of leadership and control. The Party, the bureaucracy, the military, the police and intelligence services — the essential instruments of Communist power — all remain intact, though labels have been changed and chairs have been shuffled.

The indisputable continuity of the drug offensive, in all of its Soviet, Marxist-Leninist features, adds powerful support to Golitsyn's thesis. The recent elevation of Vladimir Putin to Prime Minister and President should dislodge all illusions about any "break with the past" in Russia. A career "Chekist" in the KGB, Putin headed Russia's Federal Security Service (FSB), the domestic successor organ to the KGB, before becoming Prime Minister. Clearly, we are still facing the same old enemy.

But America's leaders refuse to acknowledge that fact. They insist, instead, that we must continue to send billions of American tax dollars to the "reformers" in Moscow, even as those "reformers" return our favors with ever larger shipments of drugs. Worse still, our policymakers continue to insist that our law enforcement and intelligence agencies must share information and expertise with their "former" Communist counterparts, in order to help them "fight" their organized crime syndicates. Thus, we are helping our enemies always to keep several steps ahead of our own law enforcement and intelligence efforts.

What We Must Do

The hard truth is this: The war on drugs has not failed; it has never really existed. Like the Korean War and Vietnam War, it has been a "no-win war," with "rules of engagement" treacherously crafted to cripple our own forces and protect the enemy. As a consequence, what measures our government has taken have been irrelevant and ineffective — or even counterproductive. The United States has been targeted as an act of war, and is the victim of a sustained offensive. The first order of business of any credible response is to recognize and name the enemy, and to sever all relations with, and stop all aid to, that enemy. If we are unwilling to make that first step, it is pointless to continue the pretense that we take this deadly war seriously. ■

Drugs and Dollars

The real forces behind the drive to establish the U.S. dollar as the currency of the Americas include illegal drug trafficking and money laundering for organized crime.



Partners: Dollars and drugs go hand-in-hand in driving hemispheric dollarization.

by Joseph D. Douglass, Jr.

There is a dark and hidden industry whose massive revenues surpass the gross domestic products of most countries. The annual profits of this mega-business dwarf the combined profits of Microsoft, AOL-Time Warner, General Motors, AT&T, Citibank, and several dozen more of the top blue chip corporations.

Why is it then that the financial and business literature pay so very little attention to the world's largest and most profitable "business" — international organized crime and its primary component, narcotics trafficking? The UN's *Human Development Report* for 1999 estimated the annual gross revenues of international organized crime at \$1.6 trillion (the gross domestic product of the United Kingdom is only \$1.3 trillion), about half of which was believed to be profit. This estimate was very conservative, for obvious reasons: The criminal capitalists are very adept at concealing their revenues; and, even more ominously, too many people in

government want the true magnitude of this business to remain hidden.

The same UN report estimated that the world narcotics trade had gross revenues of \$400 billion, or eight percent of world trade, making it one of the largest global industries. And it is growing. Over the past ten years the production of opium has more than tripled and the production of coca leaves has doubled. The \$400 billion figure, however, almost certainly is a gross undercount. Estimates are low worldwide. No one wants to advertise how bad the problem is. In the U.S., the "Household Use" statistical method radically understates the true magnitude. First, the surveys are based on voluntarily provided information, which an Emory University School of Medicine field study showed to be low by a factor of three or four. Second, these surveys miss the heaviest drug users: those who are homeless, or in jails, shelters, or treatment facilities. Based on past experience, actual drug revenues may be double or triple the figure cited.

Failure to account for this gigantic in-

dustry has been especially evident in recent months in articles promoting "dollarization" as a way to stabilize various "troubled" economies — such as those of Russia, Argentina, Colombia, Ecuador, and Venezuela. Dollarization is the process whereby the U.S. dollar becomes the medium of exchange in a foreign country, supplanting the country's national currency. The dollar has already become the *de facto* currency in some of these nations, but powerful political, business, and financial interests are pushing to make it the *official* currency throughout the entire Western Hemisphere — and beyond. They propose a system comparable to the collective "Euro" currency of Europe, managed by the Federal Reserve System. (See "One Hemisphere Under the Fed" in the October 11, 1999 issue of TNA).

Money Laundering

The proposals for official dollarization represent the most radical economic restructuring imaginable, yet little sense is to be found in most reporting on the subject. An April 1999 report issued by the congressional Joint Economic Committee of Congress, entitled "Encouraging Official Dollarization in Emerging Markets," is a frightening example of the analytical myopia or outright deception being offered on this important matter. The JEC report, like many stories in the business pages of our newspapers, enthusiastically assesses the growing trend toward dollarization as a triumph of the free market, a case of people "voting with their wallets" in favor of the U.S. currency. Neither that report nor any of the many articles in the financial journals seem to have considered the obvious alternative explanation for this trend: money laundering of the massive profits of organized crime. Neither have they examined or reported on the incredible impact that official dollarization would have on facilitating this laundering process and the further corruption of our entire political-economic system.

A major part of the problem is that neither the international banking industry nor the governments of the world want serious light to be directed on global criminalism, because the people who make it all possible are themselves top officials in banks and governments. That includes especially our own U.S. banking and federal gov-

ernment officials. They do not want the people to recognize that the organized crime syndicates and narcotics trafficking operations have *sponsors* in government and in the financial community.

At least 50 percent of the deposits in Argentina are dollars; in Bolivia the figure is 80 percent; in Colombia, the deposits have been growing steadily to at least \$34 billion. Russia, reportedly, has more dollars in circulation than does the U.S. Where did all of the dollars in these countries come from? Certainly not from tourists or businesses. Nor can counterfeiting be the main source.

Allow us to offer what our research would indicate is the most reasonable explanation: drug money laundering. A 1983 ABC News "Close up" on drugs and money laundering fingered Citibank, Marine Midland, Chase Manhattan, and "most of

the 250 banks and branches in Miami." When Ramon Milian Rodriguez, a top accountant and money launderer for the Medellin Cartel, testified before a Senate subcommittee in 1988, he implicated a veritable "Who's Who" in U.S. finance: Citibank, Citicorp, Bank of America, and First National Bank of Boston. "In every instance," said Rodriguez, "the banks knew who they were dealing with..." The evidence indicates that Rodriguez is right; the banks often play dumb, but they know what they're doing. That same year, 1988, the U.S. Attorney for South Florida, Dexter Lehtinen, stated: "I know the names of banks that are crooked, public officials who are corrupt, zoning regulations changed for drug dealers, [but] we can't pursue these investigations [due to lack of manpower]." A 1998 investigation of Citibank by the U.S. General Accounting

Office (GAO) revealed the tip of a very large iceberg. The GAO report found that Citibank had secretly transferred between \$90 million and \$100 million of alleged drug money for a Mexican client, using many creative methods to camouflage the movement of the assets.

Red Penetration and Compromise

Money laundering is not merely a process for concealing and "cleaning" illicit lucre; it is also an inherently corrupting process that compromises individuals and institutions. This makes it an especially useful, double-edged tool for the sinister-minded. In the 1950s, along with its focus on drugs and organized crime, Soviet intelligence targeted banks around the world for penetration and compromise. This was not difficult, considering what the Soviets had to offer: incredible mountains of cash to be

Exposing the Red Drug Offensive

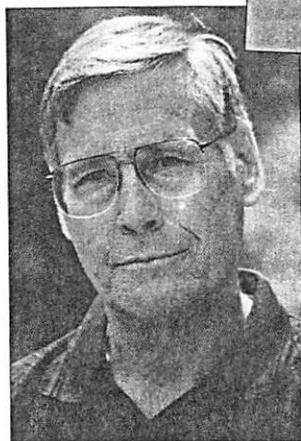
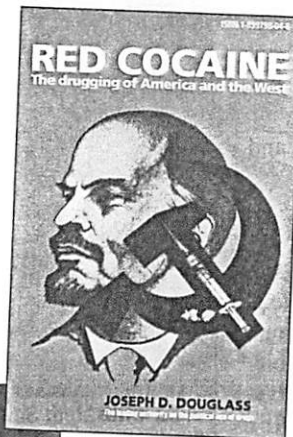
by William F. Jasper

Red Cocaine: The Drugging of America and the West, by Joseph D. Douglass, New York: Edward Harle Limited, 1999 edition, 182 pages, paperback, \$20.00 plus \$3.00 for shipping and handling. Available from American Opinion Book Services, P.O. Box 8040, Appleton, WI 54912, by phone at 920-749-3783, or online at www.jbs.org/aobs/.

When first published in 1990, *Red Cocaine* was one of the most important, must-read books in print. In the past ten years, as the global drug epidemic has become more virulent and pervasive, the importance of Dr. Douglass' book has grown. Now, thanks to a British publisher, this essential volume is back in print in America, in a new updated edition.

There is no way to fully calculate the terrible toll — human, economic, social, moral, spiritual — that drugs have taken on our civilization. Two generations of youth have been brutally decimated by the ravaging effects of narcotics. Few families or communities have escaped completely unscathed. And it is getting worse, not better. Unless major reversals are made, we will go the way of Mexico and Colombia into total corruption, anarchy, and narco-tyranny.

Many people have given up hope, believing we have already tried everything possible in the way of public policy. Not true. As Dr. Douglass points out, "The drug plague has been able to flourish because it has been politically protected." Protected by whom? Most



Dr. Joseph D. Douglass, Jr.

importantly, the U.S. Government. How has it been protected? By the suppression of conclusive and overwhelming evidence that the drug scourge is really a major, secret offensive in a long-term war against the West by the Leninist rulers of Russia and China. That war has intensified in recent years, even as our government and business elites have embraced more ardently these enemies who are flooding our land with substances that kill our children, corrupt our institutions, and destroy our communities.

Dr. Douglass is to be especially commended for recognizing the importance of General Jan Sejna, one of the highest Communist officials ever to defect to the West, and for painstakingly debriefing him over a period of several years, to glean his vast personal knowledge about the Communist drug offensive. In addition to Gen. Sejna's information, Douglass has marshaled an enormous array of vital evidence to indict not only the Communist strategists responsible for this deadly pestilence, but also the American politicians who have been protecting them and their evil trade. As Douglass points out, there has been no "War on Drugs"; our official policies that march under that banner have been a cruel sham. No public official — be he mayor, city councilman, police chief, governor, congressman, or senator — can hope to offer any serious opposition to the growing drug menace if he has not read this book. It is the task of informed, concerned citizens to make sure these officials do read it — and then *act* upon its imperatives. ■

Neither the international banking industry nor the governments of the world want serious light to be directed on global criminalism, because the people who make it all possible are themselves top officials in banks and governments.

laundered. General Jan Sejna, one of the most important Soviet Bloc officials ever to defect to the West, has provided extremely valuable information on this subject. As one of Czechoslovakia's top Communist officials, Sejna had personal knowledge of these operations, and the secret villas where regular meetings between Western bankers and Soviet commissars took place were under his control.

But the Soviet interest in banks went far beyond their use as a mechanism for laundering money. Banks were considered to be, next to organized crime, the best source of political intelligence and an excellent source for industrial intelligence. Banking institutions and their officers and employees are vast reservoirs of information about industries and governments as a natural by-product of the financing roles they play. They have access to data on assets and debts, troubled loans, technical reports, insider assessments, safety deposit box contents, and the thinking of top executives. True, such insider information is protected, but only insofar as it applies to protection from prying eyes that are not "connected." However, to those who are connected and to whom the bankers are beholden, it's an entirely different story. Insider information is a commodity they are expected to deliver with regularity to the Red dons and other powers behind the drug business.

The Russians have repeatedly demonstrated that they can obtain information on even supposedly secure bank accounts in Switzerland. This capacity was already well developed in Stalin's time. Aware that many Communist leaders, including Lenin's widow, Krupskaya, had been lining their own pockets and had established secret Swiss bank accounts, Stalin ordered Genrikh Yagoda, head of the OGPU (one of the earlier incarnations of the KGB), to provide him with a list of the numbers of

their secret accounts. This Yagoda did, and many of the offending revolutionaries were executed — including Yagoda, who made the mistake of assuming that he was Stalin's only source of information and had excluded the details of his own secret Swiss account.

The political, financial, legal, judicial, and law enforcement

corruption that accompanies the narcotics trade can barely be exaggerated. For example, a Colombian drug trafficker apprehended in 1994 had a list of 2,000 names of influential persons on the cartel's payroll: judges, members of congress, mayors, state governors, military and police officials, journalists, athletes, and entrepre-



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Banks infiltrated: Soviet intelligence, under Stalin's orders, compromised western banks.

neurs — all potential agents of influence. The Soviets, as part of their narcotics operations, together with their satellites, maintained dossiers on people in positions of influence and power who were corrupted by the drug trade. According to Gen. Sejna, by 1968, when the cocaine trafficking was just starting, the Soviets possessed upwards of 10,000 such dossiers. When a French Communist by the name of Batkoun was caught smuggling heroin into Canada in 1971, he was in possession of a list of 2,000 addicts, many of them prominent Canadian celebrities, civil servants, and academics.

Today, with the drug trade vastly magnified, the number of compromised individuals must also have seen a manifold increase. Consider the impact that such compromising information has likely played in the ongoing, and successful, Russian appeals for political or financial support. Why have Western governments and businesses, especially the international banks, been so willing to close their eyes to the realities of the Russian government, including the movement of hundreds of billions of dollars out of Russia and into safe havens in various banks? Why do so many members of Congress vote for government foreign aid scams that fleece the U.S. taxpayers of billions of dollars to send to Russia? Are narco-dollars sluicing into their campaign chests or personal bank accounts?

NAFTA: "Deal Made in Narco Heaven"

Why did so many members of Congress vote for the North American Free Trade Agreement (NAFTA)? Clearly, the American people did not want NAFTA. The phone calls and wires to congressmen ran nine to one against NAFTA — but it passed overwhelmingly. Although on the eve of NAFTA it was widely recognized that the primary beneficiaries of NAFTA would be the drug traffickers and money launderers, the well-financed publicity campaign of various governments, businesses, and banks assured an easy victory. We may eventually learn that direct bribes were given in exchange for congressional votes.

This much we do know: The primary beneficiaries of NAFTA *have been* the drug traffickers and money launderers. NAFTA, which the Clinton administration lists among its proudest achievements, has been a tremendous boon to drug smugglers and criminals of all varieties — including the Beijing-aligned Chinese mob. The May 5, 1995 edition of ABC's *Nightline* reported that since NAFTA was signed in December 1993, "some 12,000 trucks a day have freely come into this country from Mexico, largely unsuspected for safety, many carrying, along with televisions, computers and fresh produce, massive amounts of cocaine and heroin." This was not an unanticipated development. A Drug Enforcement Agency (DEA) intelligence report completed before the NAFTA vote

indicated that the accord would be, in the words of former DEA agent Phil Jordan, "a deal made in narco heaven," and drug cartels began buying up business fronts along the border to take advantage of the dramatic upsurge in uninspected commerce. However, according to Jordan, DEA officials were told by the administration that the impact of NAFTA on drug enforcement "was a subject we could not discuss" prior to ratification of the agreement.

The recent manner in which the dollarization process has been reported in the newspapers and congressional studies as an almost natural phenomenon deserves careful scrutiny because of what is not being said:

- As indicated above, the real forces behind the *de facto* dollarization include the illegal drug trafficking and money laundering of organized crime, not people voting with their wallets.

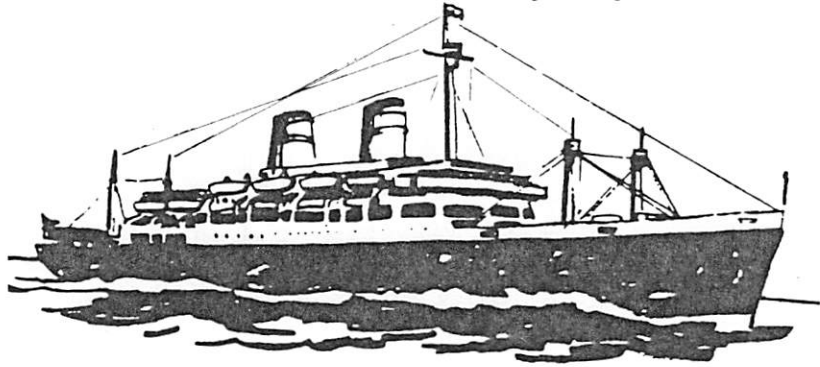
- Special interests such as international bankers, drug traffickers, organized crime bosses, and Communist intelligence services have particular motivations for pushing official dollarization, which are unlikely to include prosaic notions like "the public good."

- The globalists at the Federal Reserve and Treasury Department have obvious concerns regarding what might happen if too many overseas narco-dollars start flooding back into the United States at once.

- The dollarization drive is but the latest "convergence" campaign that would benefit certain elites — both capitalist and Communist — who view the nation-state as an archaic obstacle and something to be dispensed with as expeditiously as feasible.

Concerning that last point, we should note that the remaining major bastion of national sovereignty is the United States. The countries of the European Union have all but completely scuttled their sovereignty through the various EU governing bureaucracies, the European Court, and the Euro currency. Americans would not likely accept replacement of the dollar with a Euro counterpart any time soon. Dollarization, however, might be sold as a heavy-sent alternative. Hence it will be supported for all the "right" reasons by the same folks who championed NAFTA, GATT, and the WTO — with none of the real, underlying reasons ever expressed. ■

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