
THE CITIZEN

for Social Responsibility, a non-profit Corp.

Spring 2004

With this issue we establish some important milestones:

- ▶ 1) In April THE CITIZEN celebrated the fourth anniversary of its birth.
- ▶ 2) This will be our last 'typeset' issue. We will instead, within the forthcoming month, move our activities to the Internet. With the new web address **thecitizenfsr.org**, the printed newsletter format will be phased-out and instead metamorphose into an E-magazine, published no longer as a quarterly, but instead as a monthly. The site should be operational by the end of the month of June.
- ▶ 3) By migrating to the Internet, the amount of information of general interest available to readers will be greatly augmented. The site will also post a web address library of valuable links providing the reader with a vast selection of alternative news and information, that most may not be aware, exists.

Our focus however, will remain unchanged, we shall continue to bring to light, items not currently being discussed in the mainstream— of primary import to our society, and our nation.

We hope to hear from you, whether it be your comments, or even should you wish, your written contributions of material for us to consider publishing. Wish us well. We work in the interest of **all citizens** in our society.

This issue of the CITIZEN presents part 3 of our 3 part series analyzing narcotics trafficking.

In the late 1980's and early 1990's facts emerged which connected international underworld organizations and some governments, inclusive of our own, in the traffic of narcotics.

"The first casualty when war comes is the truth." - Sen.Hiram Johnson - 1917

The intent of this essay is to demonstrate that the War on Drugs [under the Reagan/ G.W. Bush administrations] was America's first great psy-war campaign perpetrated against **its own people** and that such abuse of power is likely to happen again. To demonstrate that psychological warfare techniques were employed requires understanding subtle sequences of disparate, but related, events. It involves asking questions as to the motivations, skill, expertise and knowledge of those involved.

At the height of the war on drugs, President George Bush (the elder) held up a bag of cocaine in his first televised speech to the nation in September 1989. In December 1989, George Bush ordered the invasion of Panama to overthrow its narco-militarist dictator, Gen. Manuel Noriega.

By the time the July 16, 1990 Newsweek issue was printed, the scope of the war on drugs seemed ready to expand from Panama into future military actions against the powerful Colombian drug cartels. At face value, indeed the war on drugs seemed to be stemming the flow of cocaine into the United States. However, as a matter of fact, for the whole decade of the 1980's, casual and popular use of cocaine fell out of favor, and overall use steadily decreased. Yet as overall American consumption of cocaine in the mid '80's dwindled, the Reagan and Bush administrations were calling for an escalation in fighting drugs, declaring that America was awash in illegal drugs. The 1980's was a remarkable decade in international events: the Cold War was coming to an end, and the U.S. military-industrial complex was facing spending cuts, with myriad economic ramifications. The U.S. had gone through its longest period of peace since the end of World War I, and many Americans were calling for a Peace Dividend.

Other Western countries have drug addiction problems addressed by doctors and treatment clinics, but only the U.S. has a **war on drugs**. As ex-DEA (Drug Enforcement Administration) agent Michael Levine has commented, "with the fade of communism (the Pentagon and CIA) are building a pretext for maintaining their budgets." (Esquire, March 1991, pg. 136) Indeed, after Iraq invaded Kuwait in August 1990, the rhetoric of the

war on drugs changed, with the first Bush administration declaring victory in the war against drugs.

Was it mere coincidence, or had the Bush administration found it no longer needed the War on Drugs to justify defense spending, having found the Butcher of Baghdad? During the Reagan years, as the Cold War started to wind down, the administration was pursuing the Contra covert war in Central America against Nicaragua and the leading Marxist Sandinista party. While this covert war was being waged by the CIA and the U.S.-supported Nicaraguan Contras, there were reports, as early as 1986, of the CIA and Contras being involved in drugs-for-guns barter arrangements. There is a wealth of evidence there was an even more unseemly side to the already patently corrupt Iran-Contra affair.

Investigations paralleling the Iran-Contra hearings delved further into the accumulated evidence of Contra involvement in drugs-for-guns deals and alleged monetary transfers to the Contras from the drug cartels. It was documented by Senator John Kerry's Congressional Committee investigation that while the interdiction efforts were increased, illegal drugs, especially cocaine, were being smuggled into the U.S. by CIA-Contra airplanes and boats under the cover of gun-running operations.

The Nicaraguan Contra civilian leadership chose their base in Miami in the 1980's, where the cocaine cowboys were already established and renowned during the 1970's for the violence that is associated with the illegal cocaine trade. Southern Air Transport (S.A.T.), a CIA-affiliated freight airline operating out of Miami was implicated in drug-running, evidence of which comes from many sources. Notably, in Congressional testimony Wanda Palacio, an FBI informant, stated that she witnessed drugs being exchanged for guns on an S.A.T. plane in Barranquilla, Colombia.

Corroborating this testimony was an Associated Press story of Jan. 21, 1987, which states the October 1986 S.A.T. plane crash in Nicaragua revealed flight logs indicating that the pilot, Wallace Sawyer Jr., had been flying from Barranquilla, Colombia to Miami, Florida in early October 1985. Eugene Hasenfus, an Air America veteran and sole survivor of that crash, filed suit against White House National Security Council (NSC) aide Richard Secord and S.A.T. for expenses and damages, claiming S.A.T. and Secord were his employers. Secord in turn stated that Mr. Hasenfus' real employer was Ronald Reagan and the actual chain of command was Reagan-Poindexter-North-Secord.

Then there were the allegations coming from Costa Rica regarding White House involvement in the drug trade. The Central American country of Costa Rica lies on Nicaragua's Southern border, which made Costa Rica strategically important during the Contra insurgency in Nicaragua. In that time, the Northern region of Costa Rica bordering with Nicaragua was the site of extensive CIA and Contra activity. In the wake of the Iran-Contra affair, White House NSC staff members Lt. Col. Oliver North, John Poindexter, and Richard Secord were banned-for-life from entering Costa Rica in 1989, after the Costa Rican legislature implicated the NSC staff members in guns and drug smuggling. Former Contra leader Eden Pastora said "I knew that much of what went through (CIA operative John Hull's northern Costa Rica ranch's) airstrips was related to narcotics trafficking" as part of a "Colombia-Costa Rica, Costa Rica-Miami connection." (See sources; Cockburn, p. 177) These White-House NSC members, along with John Hull, were indicted in a Costa Rican court as accessories to murder in the La Penca bombing and assassination attempt on Eden Pastora, which resulted in the death of an American journalist. North, Poindexter and Secord were never extradited or arraigned in Costa Rica.

Evidence of White House premeditated involvement in drug trafficking is provided by examining the unusual covert action background of key Iran-Contra players, dating back to American involvement in Laos. Air America - the CIA's Thailand-based Vietnam-era airline was notorious for its participation in heroin trafficking as a part of funding and supporting the CIA's secret war in Laos during the Vietnam war. This profound bit of history has been the focus of much commentary by historians, and has been confirmed by many sources. (Regarding the controversial August 1990 comic movie, "Air America", former Air America pilot Jack Smith spoke out on Entertainment Tonight, substantiating the movie's essential truths.)

Since controlling the Laotian opium fields determined who would control Laos, the CIA put all of its support behind their chosen drug lord, Vang Pao, and the amount of opiates that came out of Laos tripled. As it turns out, Richard Secord (CIA Special Operations Group Deputy Wing Commander in Laos), Lt. Col. Oliver North, Richard Armitage, and John Singlaub were all veterans of the secret war in Laos (Cockburn). The presence of several Laos secret-war veterans who emerged as key NSC players in Iran-Contra exceeds the realm of mere coincidence. In the October 1986 S.A.T. plane crash which yielded Eugene Hasenfus and the U.S.

Government embarrassment, an old Air America operations manual was found. (Cockburn p. 221) Additionally there were public record documents that General Manuel Noriega was on the CIA payroll in the early to mid 1970's, as well as into the 1980's. An important point mostly ignored in the mainstream press, however, is the Congressional testimony by George Bush's own NSC advisor, Donald Gregg, that George Bush (then Pres. Gerald Ford's CIA Director) met with Noriega and other Panamanian officials sometime in 1976. This meeting with Noriega took place well after Noriega had been implicated in the intelligence community as a drug trafficker in the DEA's June 1975 DeFeo report. Meeting with a foreign official, CIA Director George Bush would have been fully briefed on Noriega's dossier. Later, Jimmy Carter's CIA director, Adm. Stansfield Turner, ended payments to Noriega; however, **Noriega's CIA pay checks resumed when Reagan/Bush took office in 1980.** (1990 PBS Frontline on Noriega)

During the first two years of the Bush presidency, William Bennett, Bush's first Drug Czar, was criticized by members of Congress for his apparent indifference to Federal judicial and legal loopholes which permitted U.S. companies to export unusual volumes of cocaine processing chemicals to Latin American countries harboring cocaine production laboratories. Mr. Bennett had been an outspoken proponent of escalating the war on drugs, and yet on this important front of anti-drug policy, Mr. Bennett was apparently negligent. (Rolling Stone, "Between the Lines", October - November 1990)

Leslie Cockburn has documented that since drug trafficking was facilitated via an unhindered CIA-Contra network unencumbered by increased U.S. border interdiction efforts, the effect was "... involvement of the CIA and the related White House covert operations network in drenching America in cocaine and other narcotics ..." (Cockburn, p.187) As the shipments of South American marijuana declined as a result of increased interdiction efforts, cheap cocaine came to the fore to replace marijuana as the drug of choice for drug users and drug smugglers alike.

Surely the knowledge of the Contra drug smuggling of the late 1980's and the emergence of crack cocaine in 1985 would have led the Reagan-Bush administration to anticipate the wave of cheaper drugs and drug-related violence similar to what occurred in Miami in the 1970s, the difference being that crack cocaine is appropriate for down-scale markets (i.e. poorer neighborhoods). While the mass media increasingly

emphasized minority drug use and drug-related crimes in the mid- to late-1980's, the CIA and Contras freely smuggled cheap and potent crack cocaine for down-scale markets while border interdiction efforts escalated, increasingly limiting drug cartel trafficking to less bulky and more easily smuggled cocaine. This suggests that the Reagan administration, with such knowledge and aforethought, conspired in feeding Americans the cocaine, the cocaine hysteria, and that psy-war intrigues that have now become tools to manipulate American politics (remember the use of disinformation in the Reagan years).

Looking at the accumulated evidence that the Contras and the CIA engaged in cocaine smuggling to fund the covert war in Nicaragua, suspicion arises concerning the apparent coincidence that CIA-Contra drug smuggling was contemporaneous with the "war on drugs". From a CIA covert action in Latin America the cocaine made its way NORTH to the American consumer, who is consistently portrayed as African-American by the mass media, even though the majority of cocaine consumption is by whites. The disturbing prospect arises that this "war on drugs" was nothing more than CIA-style psychological warfare which sought to acquire as much as possible of the sum total of our civil liberties while particularly targeting minorities. Even though overall cocaine use steadily decreased throughout the past decade, our government and press declared a drug epidemic requiring a crackdown, while the Reagan administration's covert war pumped crack cocaine into the inner cities, thus further destabilizing communities already afflicted by poverty and violence. If one assumes that the Reagan-Bush administration understood the consequences of CIA and Contras smuggling cheap and potent cocaine into America unhindered, then one should look at the effects this activity had directly upon the poverty-stricken communities afflicted by the drug trade. The drug trade directly exacerbated the effects of inner-city crime and made the cities increasingly unstable and unsafe.

President Dwight Eisenhower warned in his farewell address to the nation on January 17, 1961: "*In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.*" But monied interests who buy the mass media have convinced many voters that taxes are being wasted on social programs presumably rewarding poverty and encouraging minority idleness leading to drug

dependency and violence. It's the same monied interests benefiting from increased spending on the corrupt military-industrial complex at the expense of social programs, childhood nutrition, and education.

In light of the Iran-Contra intrigues and the psychological warfare schemes of the war on drugs, it can be argued that Eisenhower's greatest fear has come true. We must heed the 1961 omen and take care that we do not submit to a demagogue offering security in exchange for freedom, for we will find ourselves in a situation where we are neither secure nor free.

THE MEXICAN CONNECTION

by: Adam Saytanides, (edited for length)

Mexican Congressman Gregorio Urias Germann delivered a stinging indictment of the Mexican and U.S. governments in his keynote speech at the drug legalization summit in February 2003 at MERIDA, YUCATAN. Urias, a federal representative from the state of Sinaloa, and assistant whip of the Democratic Revolution Party (PRD) introduced a bill in the Mexican Congress to establish a permanent Commission on Narco-trafficking and Organized Crime in 2003. The commission would evaluate the failure of current drug policies to combat the widespread addiction and rampant violence that persists throughout Mexico and the Americas. He said, currently, "there is no space to reasonably talk about the pros and cons of decriminalization." "Our interests are the interests of the majority of society, not drug-users," he explained. "The health of our entire society depends upon the resolution of this problem."

Urias has witnessed firsthand the destruction wrought by narcotraffickers in his home state of Sinaloa. He lives 100 kilometers from the border area between Sinaloa, Chihuahua, and Sonora, an area so notorious for drug-running that it has been dubbed the "Golden Triangle." The state is a hotbed of opium cultivation and heroin processing, and a key transport route for marijuana and cocaine shipments. Urias explained that it's been this way since the late 1800s, when Chinese immigrants planted heroin in the highlands. After World War II, he alleges, due to a secret agreement between the U.S. and Mexican government to boost revenue from illicit crops in Sinaloa, production skyrocketed.

"The Mexican government has always been in control of this business," Urias claimed, adding that the police and federal army tried to reign in the illegal poppy and marijuana cultivation, **but was restrained by the**

executive branch of the Mexican government. Highly placed government officials, he said, "were defending the hidden interests of the most powerful" elements of society. Urias asserted the Sinaloan syndicate's extensive smuggling experience, because they were the first to go global, converting their businesses to move hundreds of tons of contraband to the United States and Europe. **Because the cartels operate around the world in collusion with elements of the U.S. and Mexican government, Urias said that even if a single Latin American nation could eradicate narcotrafficking, it would not hurt these mafia groups.** They would just move their operations somewhere else, he reasoned. Only an international strategy will be successful in ending the drug war, Urias believes.

Money Laundering and American Banking

by: A. Giordano / Victor Saraiva

On FEBRUARY 15, 1999 U.S. President William Clinton met with Mexican President Ernesto Zedillo at MÉRIDA, MEXICO to negotiate better cooperation between their nations in the fight against drugs. Incredibly, the anti-narcotics summit was hosted by powerful Mexican banker Roberto Hernández Ramírez, a man publicly accused of trafficking cocaine and laundering illicit drug money....

Awaiting the presidential entourage in Mérida was the U.S. ambassador to Mexico, Jeffrey Davidow. In the weeks before, while most of the White House staff was busy steering the president through domestic political crisis, Davidow had been in Mexico, laying the groundwork for the presidential visit. Davidow is no novice. He cut his diplomatic teeth at the U.S. embassy in Santiago, Chile, from 1971 to '73, the period when the U.S. and General Augusto Pinochet were plotting to destabilize the elected government of president Salvador Allende. By the time Air Force One landed in Mérida, everything on the ground was under control.

The entourage retired to a ranch owned by Roberto Hernandez Ramirez who was the principal owner of BANAMEX (the National Bank of Mexico before Hernández bought it from the government a decade before). Forbes magazine listed Hernández that year as number 289 among the wealthiest men on earth.

President Zedillo had been staying at the Hernández estate since February 12, though Hernández himself was not present at the summit meeting.

That same Valentine's Day, *Por Esto!* published the first installment of a three-part series about the banker, his rise

to wealth and power, his political clout, and his alleged involvement with drugs and drug money. The series -including 350 column-inches of text documented by 45 photographs, plus three maps tracing the route of Colombian cocaine through the banker's properties -- ran over three consecutive days.

According to the newspaper and its sources, coastal marshlands purchased by Hernández in the late '80s and early '90s were the port of entry for massive volumes of cocaine delivered in small Colombian speedboats. From there, tons of the drug were loaded onto small planes and flown north from Hernández's private airfield. Hernández, the newspaper charged, was hiding behind empty "eco-tourism" resorts to wash drug profits. The series was a journalistic tour de force, the culmination of a 26-month investigation into the 43 kilometers of beachfront property owned by Hernández -- a region known by the locals as the "Coca Triangle." The newspaper went even further: it filed federal criminal complaints against Hernández for drug trafficking, for the robbery of national archeological treasures (his properties include the ancient Mayan ruins of Chac Mool and others), and for the environmental destruction caused by the cocaine-trafficking operations to the Sian Ka'an nature preserve.

On April 5th 1999, *El Universal*, one of Mexico's major newspapers published an almost full-page interview with Hernández about the banking industry -- complete with flattering photo portraits. The daily did not ask Hernández about the drug charges or, even generically, about the Mexican banking industry's current drug-money-laundering crisis -even though, just five days before, three major Mexican banks (including BANAMEX's top competitor, Bancomer) had pled guilty in U.S. federal court to hiding hundreds of millions of dollars for the giant cocaine cartels. Banamex was later purchased (2001) by Citibank. Citibank has a long history (since 1929), according to the Woodstock Institute, of supporting corrupt Mexican political leaders, such as a brother of a former Mexican president who was directly involved in cocaine trafficking.

In the same year that Citibank merged with BANAMEX, the U.S. Congress launched an investigation into Citibank activities. The Senate investigation found, according to the Associated Press 6/19/01, that in money laundering, illicit profits from criminal activities pass through a series of transactions to hide their origin and make them appear to be legitimate business proceeds. It also found that Citibank's 'private banking' services facilitated and served to hide such illicit monies from being detected by authorities.

In 2001(May 19), *La Jornada*, a Mexican daily newspaper reported that US Congressional investigators had identified that between \$500 billion and \$1 trillion of dirty money is laundered annually through American and European banks, half of which by U.S. banks. The extent of the influx of money through U.S. banking institutions, covers part of the U.S. deficit in its balance of trade. The U.S. trade deficit in 2001 stood at \$300 billion. Without the influx of the dirty money, investment capital on Wall Street would shrivel up, the dollar would weaken substantially and living standards would go down.

The \$500 billion of criminal and dirty money flowing into and through U.S. banks far exceeds the net revenues of all information technology companies in the U.S., and surpasses all the net transfer of the major oil producers, defense contractors, and airplane manufacturers. The impact of these criminal profit monies is MASSIVE.

According to *La Jornada*, the biggest U.S. banks; Bank of America, Chase, JP Morgan, and particularly Citibank derive a high percentage of their banking profits from serving these criminal and dirty money accounts. The banks utilize varied techniques in hiding and laundering the monies; among them are multi-point wire transfers, comingling of account funds, private banking services, and the services of correspondent banking—like money transmitters, and offshore accounts which all serve to hide the origin of illicit funds.

LET FREEDOM RING

by: T. C. Murray

As I stood under the hot sun on July 4th for the opening ceremonies of the National Constitution Center, I applauded loudly and my eyes began to tear as Justice Sandra Day O'Connor took to the podium to deliver remarks upon her acceptance of the Liberty Medal. How appropriate, after the decision rendered by the Supreme Court two weeks earlier where by a 6/3 majority, it voted to strike down all state laws that seek to criminalize private consensual homosexuality, effectively reversing the 1986 *Bowers v. Hardwick* decision. Writing for the majority, of which Justice O'Connor was a member, Justice Anthony Kennedy wrote regarding the *Lawrence v. Texas* case "...choices central to personal dignity and autonomy, are central to the liberty protected by the Fourteenth Amendment."

Progressives rejoiced while the religious right was stunned by the decision from a conservative Court—a decision that is very unlikely to be reversed in the foreseeable future. For social conservatives, the decision was a major defeat in the culture wars. However, the *moneyed* right will not take this lying down and are sure to put their propaganda machine to maximum use. A Constitutional Amendment that would recognize marriage solely as a union between a man and a woman is now on the agenda in Congress. The likelihood of its passage is dubious at least. Many Republicans are joining their Democratic counterparts in downplaying the need for such an amendment and stating that marriage is a power reserved to the states.

The decision in the *Lawrence* case has emboldened gay rights activists to push harder than ever for additional rights including that of civilly recognized marriages. As a gay person, I think that the *Lawrence* decision could spawn a backlash effect if leaders in the gay rights movement try to get too much, too soon, including the civil recognition of homosexual marriages on a state level. As a septuagenarian, I believe that I will see such a day but I am apprehensive about over-selling the issue.

Yes, I was particularly proud to be an American as I stood in the sea of humanity that July 4th day. The air was filled with the spirit of our Founding Fathers and I could almost hear the Liberty Bell ringing out the tones—dignity, freedom, justice, liberty—for ALL Americans.

POETRY READING

On Saturday, May 15th at the NEWARK PUBLIC LIBRARY, on Washington Street, **Thomas C. Murray** will be a guest lecturer at the Centennial Room where he will read excerpts from his new poetry book "*The Spirit of '69.*" T.C. Murray, as he prefers to be called, was for many years a high school history teacher, before retiring, who graced the halls of Mater Dei H.S. in Middletown, and previously Essex Catholic H.S. when it was located in Newark. T.C. Murray has also written a play which was produced by *Seraph Productions*, his own company. T.C., a gay rights activist, is also on the Board of Directors of THE CITIZEN. We wish him much deserved success!

OUR NEXT ISSUE:

We turn our attention to the City of Newark. Currently city government is planning to spend a near \$300 Million nest egg on another sports arena/stadium venue to be built in an area destined to be blighted by the

City. This despite the fact, that the City still has not approved its 2004 budget nor even its 2003 budget. We will report on this issue at greater length in our next issue.

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MISSION STATEMENT

The Citizen for Social Responsibility was created as an educational tool which seeks to examine critical issues in our society which are not being addressed, by motivating public debate and discussion. It is solely an enterprise which does not seek profit as its reason to exist.

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