

Cooking the Books: The Federal Bureau of Narcotics, the China

Lobby and Cold War Propaganda, 1950-1962 帳簿をこまかした連邦麻薬局、中国ロビー、そして冷戦プロパガンダ 1950～62年

Jonathan Marshall

As influential contributors to national policy, intelligence professionals inevitably face strong political and bureaucratic pressures to shape their assessments to fit official or factional policy. In the modern era, such pressures have contributed to costly, even disastrous, escalations of the Vietnam War, the arms race, and, most notoriously, Washington's conflict with Saddam Hussein's Iraq.²

Intelligence on the international narcotics menace has been particularly subject to such pressures ever since U.S. leaders vowed to wage "war" on the illicit drug trade more than a half century ago.³ In recent years, influential interest groups and policy makers have leveled epithets like "narco-terrorism" and "narco-communism" against targets such as Cuba, Nicaragua, Iran, Panama, Syria, the Taliban, and Venezuela to justify harsh policies ranging from economic sanctions to armed invasion, while ignoring or downplaying evidence implicating U.S. allies (the Nicaraguan Contras, the Afghan mujahedeen

and Karzai administration, the Colombian military, and so forth).⁴ Given the stakes, critical scrutiny of such claims, and rigorous attention to de-politicizing intelligence on international narcotics matters, may be as vital to preventing foreign policy disasters as is ensuring sound intelligence on more traditional matters of national security.

To shed historical light on the dangers of turning international drug enforcement into a political weapon, this paper re-examines a classic case of alleged manipulation of narcotics intelligence: the vilification of Communist China by U.S. Commissioner of Narcotics Harry J. Anslinger at the height of the Cold War. His inflammatory rhetoric denouncing the People's Republic of China (PRC) as an evil purveyor of narcotics went largely unchallenged in the Western media during the 1950s and early 1960s, when Anslinger acted as America's leading drug enforcement official and its official representative to the United Nations Commission on Narcotic Drugs (CND). As we shall see, his charges strongly reinforced Washington's case for

diplomatic isolation of China, including its exclusion from the United Nations.



Harry Anslinger

In 1971, as relations between Washington and Beijing began to thaw, the official U.S. line on China's responsibility for drug trafficking abruptly reversed. At about the same time, a young scholar named Alfred McCoy published an authoritative volume on the modern history of the international heroin trade, contesting Anslinger's claims and pinning blame for much of the traffic on U.S. military allies in Southeast Asia.⁵ Since then a number of historians have endorsed McCoy's conclusions and characterized Anslinger's conduct as the work of a master bureaucrat (or ideologue) bent on augmenting his agency's prestige and power by inflating Cold War stereotypes of the PRC.⁶

This paper reexamines and extends their work by asking the question made famous by Tennessee Sen. Howard Baker during the Watergate hearings: What did he know, and when did he know it? As Kevin F. Ryan has observed, "it is unclear how much the FBN actually knew about [China's involvement in] the international narcotics trade (and how much was simply convenient rhetoric) . . ."⁷ McCoy and most subsequent historians have relied on *ex post* rejections of Anslinger's claims by U.S. and foreign law enforcement officials in the aftermath of the opening to China. But can we be sure Anslinger had no evidence to support his charges? If so, did Anslinger simply invent his claims, or did other interested parties feed him misleading or false information? And, equally important, what did Anslinger know but choose to ignore about drug trafficking by American allies, including those covertly backed by the Central Intelligence Agency?

New evidence, including recently declassified files of the Federal Bureau of Narcotics and Central Intelligence Agency, along with overlooked public materials from that period, sheds important new light on the state of Anslinger's knowledge and probable motives. The records, unavailable to or unused by previous historians, provide strong new confirmation of Anslinger's manipulation of intelligence to serve both his agency's bureaucratic interests and a militantly anti-

Communist foreign policy agenda at the expense of genuine narcotics enforcement. They leave open the possibility that Chinese traffickers continued to smuggle opiates out of the mainland into the 1950s, but do not challenge what is widely accepted today about the communist government's attempt to suppress cultivation and trafficking.

Harry Anslinger's Cold War

Anslinger's impact on federal drug enforcement was nearly the equal of J. Edgar Hoover's record at the Federal Bureau of Investigation. He ran the Federal Bureau of Narcotics (FBN), an agency of the Treasury Department, from its founding in 1930 to 1962, through two Republican and three Democratic administrations. His authoritative public campaigning led to a series of landmark drug laws, including the Marijuana Tax Act of 1937, the Boggs Act of 1951, and the Narcotics Control Act of 1956, all notable for their tough legal penalties and the sweeping powers they granted to law enforcement.⁸



Anslinger inspecting a drug seizure, 1937.

Early in his career, Anslinger showed signs of the obsessions and dramatic tactics that would characterize his Cold War record, including strong anti-communism and a preference for implicating colorful scapegoats as a means of rallying public support.⁹ His masterful use of frightening imagery to stampede public opinion was on full display during his successful crusade to bring the sale of marijuana under federal control in the mid-1930s.¹⁰

Anslinger aroused public fears and focused congressional attention on the narcotics problem by characterizing it as the work of a few evil masterminds—a story line adopted years later by the Drug Enforcement Administration in its depiction of Colombian and Mexican “kingpins” as leaders of all-powerful cocaine “cartels.” Starting in the late 1940s, for example, Anslinger accused deported Italian-American gangster Charles “Lucky” Luciano and his Mafia allies of controlling the world heroin market—a claim largely discredited by recent scholarship. As Kathryn Meyer and Terry Parssinen conclude, “The Federal Bureau of Narcotics needed monstrous villains for public consumption, and Luciano, the archetypal *mafioso* filled that role.”¹¹

Luciano remained Anslinger's *bête noire* through 1951 and into early 1952.¹² Communist China was then only one of his many secondary concerns. In a meeting of the UN's Commission on Narcotic Drugs in May 1951, Anslinger cited Turkey as the largest source of heroin seized in the United

States, followed by Italy and Greece. With regard to China, he merely noted with “considerable concern” that heroin was flowing from the northern port of Tientsin to Japan. In the nagging style he used with many countries, Anslinger stated without drama, “This traffic should be suppressed by the Communist authorities.” It fell to the Nationalist Chinese delegate to warn ominously that the PRC had stockpiled 370 tons of narcotics—an assertion denounced as groundless by the Soviet representative.¹³

However, with the rise of McCarthyism and signs of Republican momentum heading into the 1952 elections, the Communist menace became Anslinger’s enemy number one.¹⁴ At the next CND meeting in May 1952, he unleashed a full broadside against Communist China. Seeking maximum publicity, he leaked details to the media more than a week ahead of time. According to American’s narcotics czar, Communist China was “going into the narcotics traffic on a large and carefully planned scale,” both to fill its treasury and to undermine United Nations troops in Korea. He fingered the regime’s Finance Minister, one Po I Po (Bo Yibo), who allegedly supervised vast poppy fields, numerous heroin refineries, and the training of 4,000 agents to sell the narcotics overseas, aided by Japanese and North Korea communists.¹⁵ (Conveniently linking the FBN’s two leading villains, one nationally syndicated columnist referred to this alleged Chinese kingpin as “an

Oriental Lucky Luciano.”)¹⁶

In his official report to the Commission a few days later, Anslinger claimed that Communist China was producing more than 4,000 tons of opium a year—or more than eight times the legal world production. Ticking off seizure statistics and arrest reports furnished by the Supreme Commander for the Allied Powers (SCAP), he maintained that all heroin seized in Japan in 1951 came from Communist China, either through Hong Kong or North Korea. Anslinger said arrested traffickers had confessed that “profits from the smuggling were used to finance the activities of the Communist Party and to obtain strategic raw materials.” Protests by the Soviet representative to the CND—who hurled charges of his own about bacteriological warfare in Korea and the rape of Japanese women by U.S. soldiers—persuaded few observers in the West. Neither did China’s outraged description of Anslinger’s statement as “a fabrication from start to finish.”¹⁷

Anslinger would repeat and amplify these charges year after year, attracting widespread coverage in the international media.¹⁸ In November 1953, testifying before a Senate Judiciary Committee subcommittee on juvenile delinquency, he accused the PRC of causing a rise in juvenile addiction on the West Coast by “flooding the illicit market” with heroin “for financial gain.”¹⁹ The next year, speaking before the CND in the face of protests from Soviet and

Polish delegates, he charged that the PRC had tripled the land area devoted to poppy cultivation to “demoralize the people of the free world.”²⁰ In 1955, he testified before both the Senate Internal Security Subcommittee and the Senate Subcommittee on Improvements in the Federal Criminal Code—which was sponsoring tougher new drug laws—on Communist China’s nefarious dope trade to “finance political activities and spread addiction among free peoples.”²¹ As late as 1961, near the end of his reign as narcotics commissioner, Anslinger warned memorably of “Red China’s long range dope-and-dialectic assault on America and its leaders.”²²

Far from questioning such rhetoric, most respectable opinion leaders in the United States considered his claims authoritative. The *New York Times* endorsed Anslinger’s charges at least twice in its editorials.²³ Even critics of Anslinger’s domestic hardline policies toward drug offenders found it opportune to accept his findings about China at face value.²⁴

Indeed, throughout the 1950s, only one significant American critic took public issue with Anslinger’s harangues: John O’Kearney, who worked on the foreign desk of the *New York Daily News*. Writing in *The Nation* magazine, O’Kearney complained that Anslinger’s charges were “not borne out by the preponderance of evidence in the opium ports of the East where evidence is obtained” and helped “to keep the

American public in a state of hypnotized conviction that the Peking government is too barbarous to be permitted to assume China’s seat in the United Nations.” Though he acknowledged that “Red China cannot be absolved of having a part in the business,” O’Kearney wrote that local narcotics officials in Hong Kong and Singapore “have stated in interviews that Anslinger’s charges against Red China are ‘political exaggerations.’ . . . [Officials] in the Narcotics Information Bureau in Singapore say that their most reliable intelligence is that Red China is ploughing up the opium fields of Yunnan Province to plant cotton.” O’Kearney boldly maintained that “the opium traffic has become a useful weapon in the hands of the anti-Communist propaganda warriors of the cold war.”²⁵

From recently opened records of the Federal Bureau of Narcotics, we now have explicit evidence of this propaganda war. In his 1952 report to the CND on the world narcotic traffic, Anslinger or an aide systematically edited out references to major opium suppliers in Asia other than China.²⁶ In 1953, Anslinger’s assistant wrote to the FBN’s San Francisco district supervisor with a clear directive: “The Commissioner called and told me that in the Chinese conspiracy case you should be sure to include one defendant in Communist China. . . Please be sure this is done, as it will be worth a great deal to the Commissioner in the United Nations.”²⁷ Before

issuing another blast against the PRC in the UN, Anslinger sought clearance from the State Department, which advised that it “would coincide advantageously with our psychological attacks on Communist China.”²⁸ Publicly, however, a top U.S. delegate to the United Nations said in defense of Anslinger, “I cannot state earnestly enough in this discussion that we are not concerned with politics,” before charging the Soviets with “actively” defending “the illicit traffic in drugs, that terrible curse upon mankind,” by standing up for China.²⁹

As late as 1970, the Bureau of Narcotics and Dangerous Drugs (BNDD), successor to the FBN, still officially maintained that “opium is cultivated in vast quantities in the Yunnan Province of China.” But within a year, with the advent of “Ping-Pong diplomacy” and the Nixon administration’s startling opening to China, Washington brazenly reversed its longstanding position.³⁰ A background memo from the Nixon White House in early 1972 declared, “There is no evidence that the PRC has either engaged in or sanctioned the illicit export of opium or its derivatives to the Free World, nor are there any indications of PRC control over the opium trade of Southeast Asia and adjacent markets.” It blamed “a persistent propaganda campaign” waged since the early 1950s by the pro-Taiwan lobby to mislead the American public as to the PRC’s guilt.³¹

Reflecting that new political line in their justly

acclaimed 1972 treatise, *The Politics of Heroin in Southeast Asia* Alfred McCoy and two colleagues addressed the issue briefly and confirmed that Anslinger’s campaign against the PRC had been a sham. They offered three kinds of evidence: 1) *ex post* claims by BNDD officials who now defended China’s record after 1949; 2) observations by travelers to Southeast Asia *in the 1960s* who confirmed that China was not then a significant exporter of opium; and 3) the assertion by one Hong Kong customs official that the British colony had “never had a single seizure from China since 1949.”³²

Subsequent historians have largely accepted this argument, but in retrospect it was far from definitive. The BNDD’s claims were suspect because of their blatantly political timing. The 1960s-era testimony was largely irrelevant to the period of Anslinger’s tenure in office. And the Hong Kong official’s denial, which was too absolute to be taken seriously, smacked of pandering to the colony’s powerful neighbor.³³

Die-hard anti-communists furiously disputed the new official verdict. They accused the Nixon administration of “a conscious effort to cover up Red China’s nefarious part in the international illicit drug traffic.”³⁴ The hardline conservative Rep. John Ashbrook, R.-Ohio, raised an especially troubling question: “Does the ‘persistent propaganda campaign’ of the early 1950s include the overwhelming factual statements of the U.S. Commissioner of the

Bureau of Narcotics and our narcotics representative to the United Nations, Mr. Anslinger?”³⁵

Years later, attempting to answer that question, historian William O. Walker III delved deeply into U.S. archival records that were unavailable to McCoy and concluded that Anslinger was *probably* exaggerating. But without access to still-closed FBN files Walker reached no final verdict, asserting that “available documentation does not permit final judgment about Beijing’s responsibility for the Asian opium and narcotics trade in the early 1950s.”³⁶

Anslinger’s Questionable Sources: the SCAP Connection

In reassessing the credibility of Anslinger’s claims, one of the most striking facts to note is that Anslinger *had no full-time agents* stationed in the Far East until 1962.³⁷ (The U.S. Customs service had jurisdiction over narcotics investigations in the region, with offices in Hong Kong and Japan.)³⁸ He thus depended heavily on agents of friendly governments—and particularly on partisan intelligence sources connected with U.S. occupation forces in Japan (SCAP) and Nationalist China.

Anslinger acknowledged that SCAP intelligence provided among “the first reports we received about the Communist narcotic smuggling in the Far East.”³⁹ He made a SCAP account of heroin trafficking in Japan the centerpiece of his first all-

out assault against Communist China before the CND in May 1952.⁴⁰ The report declared that “Investigations, arrests, and seizures in Japan during 1951 proved conclusively that communists are smuggling heroin from China to Japan, and are using the proceeds from the sale thereof to finance party activities and to obtain strategic materials for China.” In support of that strong claim, it cited two seizures of heroin smuggled by North Korean communists in 1950, including one delivery to the chief of the Communist party in Kyushu. It also cited one seizure of heroin that carried the seals of a pharmaceutical laboratory in northern China. But more than a half dozen other cases cited in the document simply involved heroin smuggled into Japan from Hong Kong—typically by Chinese from Taiwan (“Formosans”). Evidently, for Anslinger, heroin carried from British-controlled Hong Kong by smugglers from Nationalist-controlled Taiwan was proof of a Communist conspiracy.

The chief of SCAP’s narcotic control brigade, Wayland Speer, had more titillating intelligence for Anslinger, which the FBN chief drew on for his remarks to the United Nations. Referring to a seizure of heroin on a Norwegian ship docked in Japan, Speer wrote,

According to information received, the above narcotics were smuggled into Japan by Chinese Communists

to obtain funds for Communist activities and to lower the fighting strength of colored soldiers in Japan and Korea by narcotic smuggling.

It is also reported that Chinese Communists are planting opium poppies on a large scale in Jehol and manufacturing heroin in Tientsin. The heroin is allegedly collected by the Central Financial and Economic Committee in Peking. This committee is supposed to be assigned the duty of smuggling the heroin into foreign countries. . . .

It was also reported that approximately 4,000 Chinese Communists are supposed to be preparing to smuggle into Japan and that funds obtained from sale of the above heroin are to be used to finance their activities.

The source of the above information is reliable.⁴¹

But neither SCAP intelligence nor its sources could ever be considered “reliable,” except politically.⁴² Within a year of Gen. Douglas MacArthur’s triumphant occupation of Japan, he consolidated all intelligence operations in his theater in the hands of Maj. Gen. Charles Willoughby, who acted as the intelligence czar

until MacArthur’s dismissal in April 1951.⁴³ Willoughby admired the Spanish fascist leader Generalissimo Francisco Franco and was decorated in the 1930s by the government of Italian fascist leader Benito Mussolini.⁴⁴ Historian Bruce Cumings notes that the general disparaged Dwight Eisenhower as a tool of the “Roosevelt-Truman mechanism.” Willoughby was also an “eager supporter” of the China Lobby, “supplying them with his conspiratorial fantasies about various itinerant leftists” based on information drawn from Nationalist Chinese and Japanese imperial intelligence files.⁴⁵

Willoughby enthusiastically supported the rightward shift in the American occupation of Japan that began in 1948, as Cold War ideology began to trump New Deal idealism. He paid Japanese veterans of germ warfare experiments in China to hand over their secrets, recruited Japanese police to spy on American officials whose political sympathies he questioned, and lobbied for the official reinstatement of unrepentant Japanese military commanders and politicians who had been purged by the Occupation.⁴⁶ In addition, notes Michael Petersen, Willoughby was fond of hiring Japanese agents with “criminal or suspected criminal pasts.”⁴⁷

In December 1947, Willoughby’s G-2 organization set up a top-secret Counter-Intelligence Corps unit led by the shadowy Lt. Col. James Cannon, which ran spy missions into

North Korea and the Soviet Union that apparently provided cover for criminal smuggling by Japanese operatives.⁴⁸ Cannon's outfit, which was reputedly implicated in drug trafficking, also enlisted Japan's biggest Korean crime boss and methamphetamine dealer to break up street demonstrations and labor strikes.⁴⁹ In 1954 one of Anslinger's top lieutenants reported from Tokyo, "The Communists are really going all out to give publicity on the line that Americans are responsible for the traffic in Japan. They are particularly using as an example the Colonel Cannon (of CIC) episode during the occupation." Anslinger's man was grateful that a U.S.-sponsored publication attacking Red China's "dirty opium business" was coming "at a very appropriate time" to offset the revelations about Cannon.⁵⁰

It was also under Willoughby's watch that SCAP arranged the release of Class A war crimes suspect Kodama Yoshio from Sugamo Prison in December 1948. Kodama, an ultranationalist who served the Japanese Navy during World War II by selling heroin in return for Chinese strategic materials, soon began his rehabilitation by helping Cannon and the Counter-Intelligence Corps stage attacks on leftist groups. Kodama also took part in a 1949 plot to smuggle Imperial Army veterans into Taiwan to defend Chiang's redoubt. The effort was derailed when Japanese police seized a KMT drug shipment that was

helping to finance such rightist adventures.⁵¹ For Kodama, that was only a temporary setback. "Through his ties to the right, the underworld, and American intelligence," write David Kaplan and Alec Dubro, "Kodama would become one of the most powerful men in postwar Japan—and the mastermind behind the yakuza's rise to political power."⁵²

Given its political mission, and proven willingness to slander ideological enemies, SCAP intelligence was entirely capable of feeding Anslinger highly slanted reports on the source of drugs in Japan and Korea. Although SCAP and Anslinger pointed to Red China as the cause of rising heroin addiction in Japan, that problem may more accurately be traced to the fact that, in the words of one Japanese historian, "after the war, Japan's civilian and former military drug lords managed to conceal large stores of narcotics and later made fortunes from their covert sale."⁵³ Richard Friman reports further that heroin addiction in postwar Japan "paled in comparison to the country's stimulant addiction problems," which began with the diversion of methamphetamine supplies "from American servicemen as well as Korean and Chinese middlemen contracted by SCAP to disburse pharmaceutical supplies." Later the meth trade was directed by the same Korean gang members employed by SCAP as street enforcers.⁵⁴

Anslinger and the China Lobby

Many of Anslinger's detailed allegations about large opium-growing regions in China, heroin laboratories in Chinese cities, and smuggling directives by Chinese government agencies originated from Nationalist China, whose representative to the CND issued grandiose allegations against the mainland's new Communist masters.⁵⁵ In 1951 Nationalist China provided the CND laboratory with its only "authenticated" samples of opium from the mainland. These samples were in turn used to implicate the PRC whenever the lab found a chemical match with opium seized by a member nation, including the United States. This stunning conflict of interest—perhaps fraud is not too strong a word—was uncovered only in 1963 following an inquiry by the Polish representative to the CND.⁵⁶

Anslinger's uncritical reliance on intelligence from Nationalist China was all the more irresponsible because he knew all about that regime's own sordid history of profiting from the drug trade. Throughout much of the 1930s, a senior Treasury agent based in China sent Anslinger voluminous, detailed reports implicating senior government officials in opium trafficking. Indeed, history Chiang Kai-shek rise to power was smoothed by the muscle and financial support of China's most infamous criminal syndicate, the Green Gang.⁵⁷

In the 1950s, Anslinger collaborated closely with the "China Lobby," a network of Nationalist

Chinese officials and American supporters who sought to maintain high levels of aid to Taiwan while denying diplomatic recognition to the PRC. The Republic of China's ambassador congratulated Anslinger on his "unusual courage in openly denouncing (the) inhuman practices perpetrated by the Communist regime on the mainland of China."⁵⁸ On August 1, 1955, just as diplomatic talks opened between the United States and PRC in Geneva, the China Lobby's chief institutional vehicle, the Committee of One Million Against the Admission of Red China to the United Nations, ran advertisements in the *Washington Post* and *Times-Herald* headlined, "Dope—Communist China's Role in the International Drug Traffic." The ad asserted that "mainland China is the uncontrolled reservoir supplying the worldwide illicit narcotic traffic" and cited "Commissioner Anslinger's documented testimony as further proof of Communist China's inadmissibility to the United Nations."⁵⁹ In 1961, footage of Anslinger's congressional testimony appeared in a documentary film produced by the Committee of One Million, called "Red China—Outlaw."⁶⁰

Anslinger helped the China Lobby in another key respect—by delegitimizing serious charges that some of its own personnel were tainted by the illegal drug trade. In 1960, Anslinger helped the Taiwan regime suppress publication of the first scholarly study of the China Lobby, because it contained the sensational claim:

There is . . . considerable evidence that a number of [Nationalist] Chinese officials engaged in the illegal smuggling of narcotics into the United States with the full knowledge and connivance of the Nationalist Chinese Government. The evidence indicates that several prominent Americans have participated in and profited from these transactions. It indicates further that the narcotics business has been an important factor in the activities and permutations of the China Lobby.⁶¹

The Committee of One Million's chief publicist managed to obtain an advance copy and put it in Anslinger's hands. In a letter to the Republic of China's ambassador to the United States, Anslinger termed the allegations "fantastic" and said in a strong but carefully hedged denial, "there is no scintilla of evidence that any Chinese officials have engaged in illegal smuggling of narcotics into the United States with the full knowledge and connivance of the Chinese Nationalist Government." Under pressure from representatives of the Taiwan regime, the publisher (Macmillan) withdrew the book, leaving only a few advance copies in the hands of reviewers and libraries. The book was effectively suppressed until Harper & Row reissued it in 1974, with only slight modifications to the

explosive introduction.⁶²

Anslinger gave the Nationalists a pass in other ways as well. As Peter Dale Scott first noted, in the mid-1950s Anslinger implicated a Bangkok-based official of the Bank of Canton—which readers would naturally assume was a PRC institution—in a major heroin smuggling operation.⁶³ The bank was actually based in Hong Kong and San Francisco and founded by the prominent Soong family, into which Chiang Kai-shek married.⁶⁴ Chiang's finance minister T. V. Soong had been a supporter of opium revenues for the Nationalist Regime in the 1930s, and would later become an important financial backer of the China Lobby.⁶⁵

Among the Bank of Canton's most prominent customers were the "benevolent associations" of San Francisco's Chinatown.⁶⁶ Thus it is of more than passing interest that one such association, the Hip Sing Tong, was implicated in a huge West Coast heroin bust in 1959. Anslinger said the narcotics "originated in the Province of Szechwan, Communist China" and the FBN's West Coast supervisor, George White, claimed "documentary evidence" produced in the case finally verified "what had long been suspected—that Chinese Communists are smuggling dope into the United States." Some of the drugs may have come from China, but Anslinger offered no evidence of Communist complicity. In fact, the alleged ringleader was president of the Hip Sing Tong in San Francisco,

traditionally an organization closely associated with the ruling Kuomintang party of Nationalist China. His main alleged co-conspirator had previously been president of the same tong and was a former official of the Chinese Anti-Communist League, who avoided arrest in Hong Kong when the American consul there took his passport and sent him back to Taiwan.⁶⁷

Anslinger did the China Lobby an even bigger service by allegedly protecting from criminal prosecution one of the chief architects of America's anti-communist crusade, Wisconsin Sen. Joseph McCarthy. McCarthy was not only a scourge of "Communists and queers" in the Roosevelt and Truman administration who "sold 400,000,000 Asiatic people into atheistic slavery,"⁶⁸ he was also a drunk and, by some accounts, a hopeless morphine addict. In 1961, Anslinger allegedly referred to Senator McCarthy—without naming him—when he divulged shocking revelations about the former head of "one of the powerful committees of Congress" whose "decisions and statements helped to shape and direct the destiny of the United States and the free world." Anslinger said that when he learned of this legislator's drug addiction, "It was a delicate moment in world affairs. The situation presented by the morphine-addicted lawmaker presented a precarious problem. There was imminent danger that the facts would become known and there was no doubt that they would be used to the fullest in

the propaganda machines of our enemies. Such a scandal could do incalculable harm to the United States and the free world." So the nation's top drug cop saw to it that this powerful politician obtained all the drugs he needed from a pharmacy near the White House—at Bureau expense. "On the day that he died I thanked God for relieving me of my burden," Anslinger recalled.⁶⁹

The FBI, Customs and CIA v. Anslinger

Most Americans were in no position to question Anslinger's assertions about China. Out of public view, however, many official experts in the U.S. and allied governments rejected his claims—including some in his own bureau.

The British Foreign Office, for example, dismissed his sources, which included Nationalist Chinese press accounts and claims by arrested traffickers in Japan, as "very dubious." British Home Office official John Henry Walker privately derided Anslinger's "annual onslaughts on Red China" as largely unsubstantiated and speculated that Anslinger sought to grab headlines because he was "under pressure in Washington and having to fight to keep his job."⁷⁰

At home, an FBI internal security investigation in San Francisco found no basis for Anslinger's claims that Red China's dope shipments to the West Coast city were escalating in order to raise "desperately needed United States currency."

The FBN's district supervisor for San Francisco told an FBI agent there was "no evidence" that any drug profits "have been directed to subversive or intelligence uses in the United States in behalf of the Chinese Communist Government." Also, "so far as is apparent to date, the Chinese Communist Government realizes no use of money obtained in the United States by resale of these narcotics." The supervising Customs agent in San Francisco confirmed there was no evidence of any link between drug smuggling and subversion. And four FBI informants, "who are all of known reliability and of Chinese extraction . . . have been unable to furnish information indicating that the Chinese Communist Government is using profits from the sale of narcotics in the United States to promote subversive or intelligence activities." In a smug display of bureaucratic one-upmanship, J. Edgar Hoover sent the report to Anslinger, saying only, "it may be of interest to you."⁷¹

The FBN faced even more bureaucratic resistance from its rival in the drug enforcement field, the Customs Bureau.⁷² With its offices in Japan and Hong Kong, Customs enjoyed on-the-scene intelligence that the FBN sorely lacked. And it wasn't buying Anslinger's story. In 1954, the Customs representative in Tokyo reported that Japanese officials had no hard evidence of narcotics coming from China, merely an assumption based on "persistent undocumented

charges." He traced claims by a leading Japanese anti-subversion official about Red Chinese dope peddling to a disreputable Nationalist Chinese press service in Hong Kong. In contrast, Wayland Speer—who by then had left SCAP to join Anslinger—promised to draft a congratulatory letter to the Japanese official "for releasing this charge against Red China."⁷³

The Customs representative in Hong Kong was equally skeptical of Chinese involvement in the drug trade, noting in one report that "The various U.S. Government agencies represented at Hong Kong have been plagued with information reported by professional informants and fabricators who have been extremely skillful in their efforts to deceive the authorities." Later he developed a senior source in the Nationalist Chinese intelligence service in Hong Kong and Macau who admitted that many of the drug charges published in pro-Nationalist newspapers were "based on fabrication." In another report he stated, "We have seen no actual evidence of either heroin being manufactured in China or of heroin being smuggled into Hong Kong directly from China," although he appeared to acknowledge some evidence of opium smuggling from China.⁷⁴

Two years later, Customs Commissioner Ralph Kelly bluntly challenged Anslinger, writing his counterpart:

From my own observation and my

many discussions with the enforcement officers in the Far East . . . I see nothing to support your statement that ‘narcotics reaching Bangkok, Hong Kong, Japan and other areas in the Far East and the United States are largely of Communist origin.’ . . . The information I received from informed people in that part of the world is that approximately 500 tons of opium annually originates in the Burma-Laos-Yunnan area and flows to the outside world through the ports of Bangkok and Rangoon . . . I found no indication to support the theory that Red China is flooding the world with opium.⁷⁵

Anslinger responded to internal critics by noting that one of his senior agents (the dubious Wayland Speer), who had toured the Far East in 1954 specifically looking for evidence to use against the PRC, “was convinced that most of the stuff came from China.” The FBN chief breezily dismissed British concerns, declaring that “for political reasons, they do not wish to single out China as such.”⁷⁶

But Anslinger’s credibility suffered a severe blow in 1956 when the CIA’s intelligence directorate produced an exhaustive “Examination of the ‘Charges of Chinese Communist Involvement in

the Illicit Opium Trade.”⁷⁷

“There is no reliable evidence to indicate that the government of Communist China either officially permits or actively engages in the illicit export of opium or its derivatives to the Free World,” the study declared unequivocally. “There is also no reliable evidence of Chinese Communist control over the lucrative opium trade of Southeast Asia and adjacent markets.”

The study reached that strong conclusion while freely acknowledging the possibility that some drugs did originate within the PRC:

It is reasonable to assume that among the Chinese involved in the trade a number are Communists or Communist sympathizers. Chinese Communist intelligence and political agents may also engage in individual—and perhaps even in group—efforts in the lucrative opium trade in order to obtain funds to finance Communist activities. It is reported that Communist groups peripheral to Communist China engage in the trade, and their activity may furnish indications of the possible ways in which the Chinese Communists may be involved. . . . It is also reported that a local Japanese Communist Party group sold opium derivatives in the

early 1950s to finance Party activities. However, Communist China's official participation in a systematic way in such activities as these, although probable, does not appear to be appreciable.

Small amounts of raw opium produced by minority tribes in China's southern Yunnan province continued to leak out over the border, it stated, but "the principal opium-growing areas in the Far East are in Burma and Laos." The governments of Burma, Thailand, and Laos "either explicitly or tacitly permit the production of opium by the minority tribes," it explained. Taking advantage of abundant local opium, drug lords operated major heroin refineries in Thailand near the border with Burma, as well as in Hong Kong and Macao, the report noted.

Most important, "Trade and refinery processing appear to be in the hands of non-Communists, and Communist China does not appear to have any effective control over individuals engaged in these activities." Indeed, "Communist China has apparently waged an intensive campaign against opium production, trade, and addiction."

Looking at the big picture, the CIA analysts concluded that most of the heroin reaching the United States came from Lebanon or Mexico, not the Far East at all. With but one exception, they observed, "seizure reports indicate that the world illicit markets are supplied with contraband

opium and derivatives produced in Free World countries, and intelligence reports indicate that the world opium trade is in the hands of non-Communists."

The CIA reaffirmed this perspective in an October 1970 assessment of "The World Opium Situation," prepared *before* the U.S. political shift toward Communist China. It rated as the single most important "upheaval" in the world opiate market after World War II the "shutdown of China's vast illicit market with the change of governments there in 1949." The report explained that seizures of Chinese opium "began to decline as the new government extended its political control" after 1949, and deduced that "production in Burma, Laos and Thailand, which had long been servicing the same markets, probably began to increase as an offset to declining Chinese output."⁷⁸

These two CIA reports were refreshing examples of careful intelligence analyses unencumbered by the prevailing ideology or political dictates of the era. Unfortunately, their authors were given license to reach independent conclusions only because their classified findings were withheld from the public and thus posed no risk to political orthodoxy. Government leaders in Washington meanwhile condoned repeated public lies or exaggerations about the Communist drug menace.

What the FBN Knew about the CIA and the

Golden Triangle Drug Trade

It is notable that the single biggest redaction from the 1956 CIA study, when it was quietly declassified several decades later, concerns Thailand. For it was the CIA's assets in Thailand who bore more responsibility than any other group in the "Golden Triangle" for the resurgence of the opium trade after the Communist victory in China in 1949. It is thus critical to explore what Anslinger must have known but chose not to disclose about the CIA's drug-trafficking allies in the region.



The Golden Triangle

Several excellent studies of the Golden Triangle in the 1950s provide rich background—without necessarily answering the question of what Anslinger knew.⁷⁹ In brief, by January 1950, the People's Liberation Army had driven thousands of Chinese Nationalist soldiers from the Eighth and Twenty-Sixth armies out of Yunnan province into Burma and French Indochina. In northeast Burma, more than 10,000 men under the command of General Li Mi found sanctuary in

the wild hill country settled by minority peoples, many of whom cultivated opium as a traditional cash crop. Having themselves profited from opium for many years in Yunnan, the KMT forces—named for the *Kuomintang* party that ruled Nationalist China—began trafficking once again from Burma, both to make ends meet and to finance their schemes to reconquer China.

Washington's interest in using Li Mi's forces to contain the Chinese Communists soared after the start of the Korean War. By direction from President Truman in December 1950, the CIA secretly began supplying the KMT by air and with ground caravans through Thailand.⁸⁰ Security was provided by the CIA-backed Thai national police, who in turn were eager to market the KMT's opium to the legal Thai national opium monopoly and to international traffickers.

After several hapless forays by the KMT into southern China in 1951 and early 1952, Washington gave up serious hope of using them to roll back Communism in China. Meanwhile, as the CIA's "covert" mission became widely known, U.S. relations with Burma worsened and Washington grew alarmed at the possibility of a retaliatory invasion by Communist China.⁸¹ The United States tried in vain to persuade the KMT forces to decamp for Taiwan, but the Chinese insisted on staying put—and in the words of one U.S. ambassador, "continuing nefarious operations in Burma and Thailand including opium smuggling racket."⁸² Tabling preparations

for war, they focused instead on building a drug empire that helped boost the region's opium exports from an estimated 40 tons before World War II to more than three hundred tons by 1962.

Washington's role in this trade was much more than incidental.⁸³ As U.S. officials understood early on,⁸⁴ the Thai national police, under the ruthless and brutal General Phao Sriyanon, "had become the largest opium-trafficking syndicate in Thailand," in McCoy's words. He adds:

CIA support for Phao and the KMT seems to have sparked . . . a 'takeoff' in the Burma-Thailand opium trade during the 1950s: modern aircraft replaced mules, naval vessels replaced sampans, and well-trained military organizations expropriated the traffic from bands of illiterate mountain traders.

Never before had [Burma's] Shan States encountered smugglers with the discipline, technology, and ruthlessness of the KMT. Under General Phao's leadership Thailand had changed from an opium-consuming nation to the world's most important opium distribution center. The Golden Triangle's opium production approached its present scale . . .⁸⁵

The Golden Triangle would remain the world's largest exporter of opiates until supplanted in the 1980s by a new set of CIA allies in South Asia, the Afghan mujahedeen and Pakistani military intelligence.⁸⁶

All of this was top secret—so much so that the very existence of the operation to support the KMT guerrillas was kept from the CIA's deputy director for intelligence, most or all top State Department officials, and the U.S. ambassadors to Burma and Thailand.⁸⁷ The CIA went to especially great lengths to hush up the drug-related murder of one agent and widespread opium trafficking under its auspices.⁸⁸ So is it fair in retrospect to hold Anslinger responsible for ignoring or underplaying the U.S.-Thailand drug connection?

Washington's lies fooled no one on the scene and could not have fooled Anslinger. A review of the often-overlooked *public record* shows that Anslinger must have known more than to sound the alarm about the emergence of the KMT and its U.S.-supported Thai allies as one of the world's largest narcotics-trafficking syndicates. Ignorance was simply not a credible excuse.

As early as May 1950, the *New York Times* reported on the presence in Northeast Burma of "an aggregation of refugee Nationalist troops" who "operate pretty much as a law unto themselves" and "have been engaging extensively in opium dealing." The story noted

that the United States planned to open a consulate “at the little northern Thailand city of Chiangmai to watch American interests in an area of increasing importance in Southeast Asia,” a tip that U.S. authorities were in touch with the KMT.⁸⁹

Less than two years later, the respected London *Observer* accused “certain Americans” of joining Thai officials and KMT officers in “making large profits” from the “guns for opium trade.” The story pointed to the large quantities of American-made weapons and ammunition flown to General Li Mi “from a certain trading company in Bangkok in which Americans have an interest.” (As we will see, that was a reference to the CIA’s Sea Supply Company.) Amazingly, the American embassy in Bangkok confirmed the allegation. “It cannot be denied that we are in the opium trade,” one U.S. diplomat told the reporter.⁹⁰ In case Anslinger missed the story, the *Washington Post* made it the subject of an editorial: “It is somewhat startling to read the allegation that in supporting the Chinese Nationalist effort in northeastern Burma to harass the Chinese Communists, Americans have gone into the opium business!”⁹¹

A few months later, after further damning press accounts, the U.S. ambassador to Burma acknowledged in a dispatch to Washington the existence of “apparently strong” and widely available evidence “that the United States was directly involved in aiding these [KMT] troops in

the Burma border.” He added that the burgeoning drug trade was becoming a public embarrassment as well:

Movement of opium into Thailand, and of supplies north from Thailand has proceeded with apparent tacit approval of the Thai authorities, probably also with their connivance and to their profit. Involvement of Thai authorities and the activities of officials of the Chinese Embassy in Bangkok on behalf of the KMT troops in Burma are common gossip in Bangkok.⁹²

An Associated Press reporter who toured the Shan States of Burma in early 1953 cited widespread charges that “the Nationalist guerrillas trade narcotic poppy gum for guns and money.” Despite official U.S. denials of support, he added, “new American weapons have been found on slain or captured Chinese irregulars.”⁹³ The *New York Herald Tribune* dismissed Washington’s denials more bluntly, reporting that “up to a year ago Bangkok was full of cloak and dagger operatives and some American citizens unquestionably shuttled back and forth on mysterious missions between Bangkok and Li Mi’s airstrip [near] Kengtung.”⁹⁴

The Burmese government, which fought unsuccessfully to dislodge the KMT army,

repeatedly condemned foreign support for dope smugglers in its midst. In the spring of 1953, Rangoon filed a formal protest against Nationalist China in the United Nations, accusing it of backing KMT forces who were “looting, pillaging, raping and murdering” with abandon. The General Assembly voted overwhelmingly to demand General Li Mi’s exit from Burma. Interviewed by *Time* magazine, the general admitted that his forces levied opium taxes on the hill farmers of Burma and were in no hurry to follow U.N. dictates. “Rather than evacuate ... we could still turn to smuggling or even become bandits and plunder to stay alive,” he warned.⁹⁵ Li Mi was true to his word; KMT forces made only a partial evacuation of Burma.⁹⁶

Meanwhile, the Americans were publicly implicated once again in these machinations. The *New York Times* reported in 1953 that a U.S. company with offices in Bangkok and Manila, the Southeast Asia [Supplies] Company, was accused by Burma’s intelligence service of air-dropping arms and uniforms to the KMT guerrillas in exchange for gold, tungsten ore, and opium.⁹⁷ It didn’t take a genius to figure that the company was a CIA front. And as almost any informed person in Bangkok knew, the company known informally as Sea Supply also provided American arms and training to General Phao’s corrupt national police.⁹⁸

Thanks to the U.S.-funded expansion of his paramilitary forces, General Phao was first

among equals in Thailand’s military government. But he made the mistake in 1955 of boasting that he had recently paid nearly \$1,500,000 in reward money to unnamed informers and police for seizing 20 *tons* of opium from Chinese Nationalist guerrillas near the Burmese border.⁹⁹ Amid widespread public speculation that Phao had simply pocketed the money himself—and growing concern by military rivals that he was amassing a rich political war chest—Phao was relieved of his post as deputy finance minister while traveling to the United States to seek more U.S. aid.¹⁰⁰

Anslinger could hardly deny the obvious any more. The narcotics commissioner now acknowledged publicly that, “More opium moves to and around Chiengrai in northern Thailand than any other place in the world in illicit traffic.” But he still blamed Red China, choosing not to draw attention to the pro-American parties responsible for bringing the drugs to the world market.¹⁰¹ “By an accident of history,” wrote one journalist friendly with Anslinger who nonetheless appreciated the irony, “the middlemen between Yunnan and Thailand are anticommunist Chinese. . . . They grow opium and add it to the supplies they get from China and neighboring tribal villages of Laos and Burma.”¹⁰²

While Anslinger still held communists responsible for the world’s drug problem, Thai newspapers backed by Phao’s rival, Field

Marshal Sarit Thanarat, accused the Americans and their Cold War policies. Indeed, they named the CIA front Sea Supply and charged it with “direct involvement in the opium business” through its training and supply of Phao’s corrupt national police. One well-informed paper “attacked [Sea Supply] for allegedly bringing in sixty-nine cases of gold to buy Phao’s opium as a means of keeping the regime in power.”¹⁰³

Anslinger had no local agents to feed him inside information about all this, but recently opened FBN records show that he was well informed about the involvement of clandestine U.S. agents and American allies in the Far East drug trade.

The narcotics commissioner dispatched one of his senior agents, Wayland Speer on a 1954 mission to the Far East to gather evidence of Communist China’s involvement in the drug business.¹⁰⁴ Speer sent home some hot rhetorical missives—which Anslinger repeated before the U.N. commission—about “fanatical communist narcotic sellers” who maintained discipline by “cutting off the ears of those giving information to narcotic agents.”¹⁰⁵ Tellingly, however, he uncovered no hard information of Chinese government culpability.

On a swing through Bangkok, for example, Speer’s reports—all titled “Red China Traffic in Narcotics—Thailand,” implicated two senior officers in the Nationalist Chinese secret police, top Thai government leaders and military

officers, American servicemen, and agents for a CIA-controlled airline, but only one smuggler who claimed to obtain his opium from Yunnan Province in southern China.¹⁰⁶

Speer’s first informant in Thailand was the top pilot for Civil Air Transport (CAT), a cargo airline nominally owned by Nationalist Chinese interests but also operated (perhaps unknown to Speer) by the CIA. The pilot, who flew missions for the Thai police, provided details of attempts by one of his Taiwanese co-pilots and other Nationalist Chinese to enlist him to fly 12 tons of opium out of Burma and 50 pounds of heroin from Bangkok. He also reeled off examples of other dope-smuggling plots involving Thai police officials, Thai Air Force officers, and a U.S. master sergeant. CAT planes in Thailand were generally clean, he said, because the Thai Air Force took steps to prevent competition with its own opium flights.¹⁰⁷ (That said, the FBN had numerous reports implicating CAT personnel in smuggling.)¹⁰⁸

Speer quickly learned that dishonest officials were the rule, not the exception in Thailand. Jim Thompson, the famous OSS officer and owner of Thai Silk Company, called his adopted country “the most corrupt place on earth” and said “everyone is in the opium traffic from the top to the bottom,” starting with the police.¹⁰⁹ Another informant told Speer that the Army held literally tons of opium and morphine at its barracks in Bangkok. The FBN agent concluded, “It seems

the army is also the police who seize opium from themselves—or the ones they have sold it to—and then re-sell it to the government and get a reward for doing so. I think we are right at the roots of the trouble in this and other parts of the world.”¹¹⁰

Speer then learned from the U.S. embassy’s security officer that the “top KMT agent” in Bangkok “finances all of her intelligence operations with opium.” Her tentacles reached into the highest government circles, through her sister’s marriage to a Thai police colonel and top aide to General Phao, “who is called Mr. Opium.”

The embassy security officer’s story got more complicated with the involvement of an American businessman and former OSS officer living in Bangkok named Willis Bird. Bird was friendly with Ambassador William Donovan (founder of the OSS) and brother-in-law to a Thai Air Force officer who served as intelligence liaison to General Phao. Bird, said to be acting “on behalf of General Phao,” allegedly got Thai authorities to drop plans to prosecute the drug-smuggling KMT intelligence agent. Speer noted as an aside, “everyone suspects Bird is in opium,” in part because Bird had the contract to fly KMT irregulars out of Burma aboard CAT aircraft. (More than that, Bird was the Bangkok agent for the CIA’s Sea Supply operation.)

Speer concluded his long memo to Anslinger

with a rueful observation: “what a mess there is when enforcement agencies engage in the narcotic traffic. The Americans are contaminated, whether rightfully or wrongfully, when working with them even in the minds of other Americans.”¹¹¹

A few days later, Speer struck up a conversation with Bird at a swank Bangkok nightclub frequented by foreigners and managed by an Austrian expatriate with a narcotics record. (Bird said he didn’t own the establishment but only “signed the checks” there.) Bird told the agent he was eager to help the FBN by furnishing information on international narcotic smuggling, though he admitted that there were limits on what he could disclose since “he must get along with the authorities locally.” No wonder—besides his strong ties to General Phao, he had seven Thai brothers-in-law, “all of whom are close to the Thai government.” Bird also confided that he took a cut of up to 10 percent on all business done by CAT, which was “chartered to the police” and also to the KMT.¹¹² In short, the FBN could reasonably conclude that Bird was the supply agent for the two biggest dope-trafficking forces in the region.

Another FBN source, reporting later on extensive opium trafficking by KMT forces in the Golden Triangle, noted that Bird “was widely alleged to have amassed a fortune in smuggling consumer goods to China via US military planes” during World War II and then went on to be employed

out of Bangkok by either Chiang Kai-shek or Washington “to surreptitiously supply the Chinese groups against the wishes of the Burmese.” He added, “Nationals of both countries may be inclined, therefore, to take this as evidence that the US is willing to take a less-than-moralistic view of such matters as narcotics traffic, when it has other interests at stake.”¹¹³

With all this information at hand, Anslinger could hardly have doubted the existence of high-level covert U.S. connections to the Thai-Burma drug trade. He would also learn from Speer in 1955 that the “biggest seizure of narcotics made from an airplane in Hong Kong since World War II” implicated not a Red Chinese dope ring but a U.S. Air Force sergeant stationed in Bangkok as a member of the U.S. Military Assistance Advisory Group.¹¹⁴

Thai Field Marshal Sarit Thanarat finally deposed Phao in 1957 in one of Thailand’s many military coups, but nothing really changed. Privately, Anslinger told a colleague in the United Nations, “I am afraid that the racket is so well ingrained that it will take more than a change in personnel to destroy the roots.”¹¹⁵ Indeed, the U.S. ambassador would concede two years later that Sarit “and the military group are now more dependent than ever on the profits from opium exports.” Citing estimates that “over 300 tons of opium pass through the KMT area in Burma each year,” he added, “If the KMT problem could be liquidated there is no doubt that it would do

much to reduce the opium problem. However, there seems to be no hope of this.”¹¹⁶

The ambassador recommended bringing to Thailand one of the FBN’s most celebrated former supervisors, Garland Williams, who was stationed at the time with the U.S. mission in Iran.¹¹⁷ Williams undertook the proposed study mission, and prepared an extensive report on the narcotics situation in South Asia and the Far East. His report, provided to the FBN, provides further insight into what Anslinger knew, and when.

Although Williams condemned corrupt officials of the region, he above all indicted the CIA’s covert operations unit, which he referenced obliquely through its police advisory mission:

During the past several years the Chinese guerrillas (KMT) in the Shan states have assumed almost exclusive responsibility for moving opium shipments out of the area. This is done by animal caravans and vehicles on the ground and, reportedly, by foreign airplanes which bring supplies and take out drugs for barter or sale abroad. It is said that more than 10,000 foreign Chinese illegally residing in the Shan states are engaged in or supported by the illicit traffic in opium. It is obvious that the drugs handled by these KMT irregulars

are not sold locally, and that this commodity is the principal export and source of foreign monetary credits of this guerrilla movement. It follows that this unique situation must be a large source of the narcotics used throughout the world, and other nations suffering from the secret drug traffic surely have an interest in coming to the aid of Burma in this instance. . . . It is high time this large-scale opium trafficking organization was destroyed. The Government of Burma can easily do this if given the support of the United States and Nationalist China, and this should be forthcoming. . . .

It is the writer's opinion that the port of Bangkok is the most important single source of illicit opium in the world today. It is also the locale for the least amount of corrective effort by responsible American agencies. . . .

Corruption in public office arising from the large scale traffic in narcotics is notorious, and it must be admitted that this official attitude is a positive impediment to the development of public confidence in government affairs. . . .

Unfortunately, the writer was unable to discuss narcotic matters with the Thai Government leaders because American officials forbade such contacts. It was explained that many Thai officials, some of great prominence in both civil and military echelons of the government, are involved in the drug traffic, and it might endanger American interests if narcotics were mentioned to them. . . .

The Chief Police Adviser stated that his knowledge of the narcotic situation was scanty, and based on rumor. He stated that he had never mentioned the subject to the Chief of Police or to any other Thai official and could not, therefore, be sure of their ideas on the subject. He said that avoidance of the subject of narcotics when talking to Thai police officials was a policy followed by himself and his subordinates; and he refused to permit the writer to interview any police.¹¹⁸

Anslinger got the message, saying privately that among Thai officials corruption "comes out of [their] ears." But, as a loyal soldier in the U.S. national security establishment, Anslinger said nothing publicly about all of these sordid facts.

No doubt he agreed with one U.S. diplomat in Bangkok who, while decrying the pervasive corruption caused by “fabulous profits” from narcotics, warned that “frontal attacks on [the traffic] by the United States is (sic) likely to implicate officials of the very government which the United States is supporting.”¹¹⁹ Or as another jaded American diplomat put it in 1958,

With the involvement of the [KMT] irregulars on the border areas of Burma and Laos and much of the wealth of principal figures from Field Marshall Sarit down the line based on the sale of opium, tampering by the outside world with this commodity, evil as it may be, would prove politically undesirable. It would result in at minimum lip service and at maximum an adoption of an anti-Western posture and strengthening of ties to the East which is not bothered by a moral standard.¹²⁰

Conclusion

Anslinger’s sweeping rhetoric against “Red China” today strikes most historians—rightly so—as an anachronistic product of the McCarthy era. But the long litany of arrests, interrogation reports and statistics that Anslinger cited to back up his claims sounded authoritative and proved

persuasive to Westerners all through the 1950s and into the 1960s.

Since then, most scholars have concluded that the Communist leadership of China, driven by ideology and national shame to stamp out narcotics addiction, led a thorough and sometimes ruthless campaign to suppress poppy cultivation and opium production.¹²¹ Still, simplistic assertions about the success of this anti-drug crusade are no more justified by the evidence than were Anslinger’s diatribes. As Zhou Yongming notes in his authoritative account,

In fact, inconsistency and inefficiency were common during the first phase of the anti-drug campaign. . . . in reality, the Communists simply lacked the resources necessary to carry out this project completely and were too preoccupied with various other tasks they were facing—among which the most important were to revive the economy devastated by the civil war, to rebuild social order at home, and to fight the Americans in Korea.”¹²²

As a result of the initial campaign’s serious limitations—and in part in response to Anslinger’s stinging charges before the United

Nations—the Communist Party launched a second, secret anti-drug crusade in the summer of 1952, including mass rallies and criminal trials focusing on stamping out widespread corruption.¹²³ Although the campaign enjoyed remarkable success, Zhou concedes that it was “postponed” in several minority and remote border areas—including parts of Yunnan province in the Golden Triangle.¹²⁴ Bottom line: some drug seizures in Hong Kong, Japan and the United States during the 1950s likely *did* originate in China, just as the FBN claimed.

More tentatively, we should acknowledge the possibility that some Chinese officials attempted to unload surplus opium stores abroad through illicit channels, after failing to sell them overseas to legitimate pharmaceutical buyers.¹²⁵ Indeed, if China’s secret service was anything like its unscrupulous counterparts in other countries, it may well have seen the sale of narcotics as an acceptable means to worthy ends.¹²⁶ Some still controversial evidence suggests that the Communists earned hard currency and paid for vital supplies during the lean years of anti-Japanese resistance in Yenan in part through opium sales, so it is hardly unthinkable that some officials advocated the same practice after 1949.¹²⁷

Anslinger, however, went far beyond these limited claims to condemn the Beijing regime as a uniquely grand and evil purveyor of narcotics. Such strong charges demanded equally strong evidence. Anslinger never provided it and almost

certainly never had it. With the opening of FBN records, we now know that its Communist China files hold no credible reports implicating the Maoist regime in drug smuggling. Furthermore, other U.S. and British officials privately called Anslinger on the matter at the time, savaging the credibility of his sources. The CIA’s definitive study of the question in 1956 demonstrates that Anslinger pushed his incendiary charges at the United Nations and in the media despite clear intelligence to the contrary. At the same time, Anslinger ignored or downplayed readily available public and private evidence that America’s allies—and its own officials—were contributing far more than Communist China to the growth of the Far East drug trade and the expansion of the world heroin market.

Clearly, the FBN chief chose to put anti-communism, national security, and bureaucratic self-interest ahead of his agency’s declared mission. These disparate values meshed seamlessly. By serving up a steady supply of lurid claims to feed the propaganda mills of professional Cold Warriors and China Lobbyists, Anslinger bought protection against budget cuts, premature retirement, loss of authority to rival agencies, and any weakening of the nation’s drug laws. Today one must agree with the British Home Office official who concluded disparagingly in 1954 that Anslinger had “strong motives for emphasizing the responsibilities of other countries for illicit traffic in the United

States and for attributing this traffic to Communist sources.”¹²⁹ Anslinger’s deplorable record should remind us today of the need for critical scrutiny of claims related to drug trafficking to avoid letting our own era’s propaganda warriors generate fear and revulsion to escalate international conflicts.

Jonathan Marshall is the author of three books on the international drug traffic, including most recently *The Lebanese Connection: Corruption, Civil War, and the International Drug Trade* (<http://amzn.com/0804781311/?tag=theasipacjo0b-20>) (Stanford University Press, 2012).

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Notes

¹ San Anselmo, California. Please contact me at marshallj9@sbcglobal.net

(<http://apjff.org/mailto:marshallj9@sbcglobal.net>)

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² On the Gulf of Tonkin incidents, see Robert J. Hanyon, “Skunks, Bogies, Silent Hounds and the Flying Fish: The Gulf of Tonkin Mystery, 2-4 August 1964,” *Cryptologic Quarterly*, no date (declassified version available at http://www.nsa.gov/public_info/_files/gulf_of_tonkin/articles/re11_skunks_bogies.pdf, accessed December 12, 2012). On Team B and other examples of politicized intelligence around strategic arms, see Joshua Rovner, *Fixing the*

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³ In 1954 President Eisenhower launched what *The New York Times* called "a new war on narcotic addiction at the local, national, and international level." See "President Launches

Drive on Narcotics," *New York Times* November 28, 1954. Nearly two decades later, his former vice president, Richard Nixon, said "This administration has declared an all-out global war on the drug menace." ("Nixon Plans to Unify Drug Enforcement Agencies," *New York Times* March 29, 1973.)

⁴ Peter Dale Scott and Jonathan Marshall, *Cocaine Politics: Drugs, Armies, and the CIA in Central America* (Berkeley: University of California Press, 1998); Jonathan Marshall, *Drug Wars: Corruption, Counterinsurgency, and Covert Operations in the Third World* (Forestville, Calif.: Cohan and Cohen, 1991); Jonathan Marshall, *The Lebanese Connection: Corruption, Civil War, and the International Drug Traffic* (Stanford: Stanford University Press, 2012). Washington's shifting stance on Panama in the 1980s and 1990s—alternately suppressing evidence of drug crimes and then using inflated claims to justify a military invasion—was a particularly striking example of the power of politicized drug claims. Jonathan Marshall, "Unjust Cause: Drug Trafficking and Money Laundering in Post-Noriega Panama," unpublished manuscript.

⁵ Alfred McCoy, with Catherine Read and Leonard Adams II, *The Politics of Heroin in Southeast Asia* (New York: Harper & Row, 1972).

⁶ Douglas Clark Kinder, "Bureaucratic Cold Warrior: Harry J. Anslinger and Illicit Narcotics Traffic," *Pacific Historical Review* 69 (1981),

169-191; cf. Douglas Clark Kinder and William O. Walker III, "Stable Force in a Storm: Harry J. Anslinger and United States Narcotic Foreign Policy, 1930-1962," *The Journal of American History* 72 (March 1986), 908-927. See also works cited in this paper by Douglas Valentine, David Bewley-Taylor, Kevin Ryan, Kathleen Frydl, Kathryn Meyer and Terry Parssinen, among others.

⁷ Kevin F. Ryan, "Toward an Explanation of the Persistence of Failed Policy: Binding Drug Policy to Foreign Policy, 1930-1962," in *Drug War, American Style: The Internationalization of Failed Policy and Its Alternatives*, eds. Jurg Gerber and Eric L. Jensen (New York: Garland Publishing, 2001), 35.

⁸ John C. McWilliams, *The Protectors: Harry J. Anslinger and the Federal Bureau of Narcotics 1930-1962* (Newark: University of Delaware press, 1990), 13-17.

⁹ According to Douglas Kinder, "Anslinger led an investigation of the Bolshevik movement in cooperation with the British Intelligence Service and . . . submitted one of the first reports about Soviet Russia's world revolutionary plans. "Bureaucratic Cold Warrior," 172.

¹⁰ See for example Anslinger's article, "Marijuana: Assassin of Youth," *The American Magazine* 24 (July 1937).

¹¹ Kathryn Meyer and Terry Parssinen, *Webs of Smoke: Smugglers, Warlords, Spies, and the History*

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¹² "Luciano Rules U.S. Narcotics from Sicily, Senators Hear," *New York Times* June 28, 1951; "Italy Called Heroin Center, Luciano, Mafia Shippers," *New York Times* September 1, 1951; "Luciano is Linked to Heroin Arrests," *New York Times* March 9, 1952.

¹³ "U.S. Finds Heroin Big Narcotic Snag," *New York Times* May 2, 1951.

¹⁴ As early as the summer of 1951, as the Federal Bureau of Narcotics faced budget cuts, Deputy Narcotics Commissioner G. W. Cunningham made the case for more funding and more agents by warning that the PRC had accumulated 500 tons of opium for sale abroad, "more than enough to supply the whole world for a year." See "New Tactics Urged in Narcotic Battle," *New York Times* June 19, 1951; "House Told Red China Tried to Trade Opium," *New York Times* August 17, 1951.

¹⁵ "Big Narcotics Ring Traced to Peiping," *New York Times* April 27, 1952; cf. "Red China Accused of 'Dope Warfare,'" *Miami News* April

26, 1952.

¹⁶ Victor Riesel, "Soviet Opium Trust Financed North Korean War Through Sales of Dope Across World," *Tri City Herald* May 22, 1952.

¹⁷ See UN Economic and Social Council, Commission on Narcotic Drugs, "Summary Record of the Hundred and Eighty-Second Meeting," mimeograph, May 5, 1952, E/CN.7/SR.182 July 10, 1952; People's Republic of China, "Foreign Ministry Issues Statement on Narcotics Slander Made by U.S. Representative at the UN Commission," July 2, 1954, in "U.N. Documents Relating to Communist China" file, box 153, Record Group 170, Records of the Bureau of Narcotics and Dangerous Drugs, National Archives (hereafter "BNDD records"). Excerpts from Anslinger's statement to the CND can be found in H. J. Anslinger and William F. Tompkins, *The Traffic in Narcotics* (New York: Funk & Wagnalls, 1953), 70-75; "Traffic in Narcotics is Flourishing," *New York Times* May 11, 1952; "Narcotic Charge Scored," *New York Times* May 20, 1952. Anslinger continued to reap publicity by publishing a nationally syndicated column in place of vacationing Victor Riesel, "Probe Shows How Commies Handle Opium," *Tri City Herald* July 29, 1952.

¹⁸ As examples from Australia, see "Store of Opium in China," *The West Australian* (Perth), March 29, 1951; "Red China Drug Source for U.S.," *The Advertiser* (Adelaide), June 20, 1951;

"Reds Using Drug Warfare, is U.N. Charge," *The Argus* (Melbourne), April 28, 1952; "Dope Running by Communists," *Sydney Morning Herald* May 7, 1952; "Big Seizure of Heroin," *The West Australian* April 7, 1954; "Narcotics are Policy Weapon for Red China," *The West Australian* May 6, 1954.

¹⁹ "Reds Push Drug Trade," *Reading Eagle* [Pa.], November 23, 1953; "Coast Heroin Flow Laid to Red China," *New York Times* November 24, 1953; cf. George Sokolsky, "Red China's Dope Traffic Perils American Youth," *Milwaukee Sentinel* October 4, 1954.

²⁰ "U.S. Charges China Spurs Drug Habit," *New York Times* May 5, 1954.

²¹ U. S. Senate, Committee on the Judiciary, Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws, hearings, *Communist China and Illicit Narcotics Traffic* 84/1, (Washington, U. S. Government Printing Office, 1955), 3-14; U.S. Senate, Committee on the Judiciary, Subcommittee on Improvements in the Federal Criminal Code: *Illicit Narcotics Traffic* 84/1 (Washington, U. S. Government Printing Office, 1955-56), 275-278; "Investigations: Dope from Red China," *Time*, March 21, 1955.

²² Harry J. Anslinger with Will Oursler, *The Murderers: The Shocking Story of the Narcotic Gangs* (New York: Farrar, Straus and Cudahy, 1961), 228. He also began asserting the existence of "a

definite tie-in between Red China and Cuban dope operations,” as he added Fidel Castro to his list of subversive drug kingpins. See “Cuba is Accused of Cocaine Plot,” *New York Times* April 14, 1962.

²³ “Two Communist Rackets,” *New York Times* May 3, 1952; “Peiping’s Narcotics Trade,” *New York Times* May 15, 1954.

²⁴ See, for example, Donald J. Cantor, “The Criminal Law and the Narcotics Problem,” *Journal of Criminal Law and Criminology* 51 (January-February 1961), 512-527. Cantor, a Hanford attorney, called for “some form of legal dispensation of opiates to addicts” in part because law enforcement was incapable of staunching the flow of drugs from Communist China (527).

²⁵ John O’Kearney, “Opium Trade: Is China Responsible?” *The Nation* October 15, 1955, 320-322. Senior FBN officer Charles Siragusa sent Anslinger a photocopy of the article, saying of *The Nation* “This is a pro-Communist publication, isn’t it?” More substantively, he reported that contrary to O’Kearney, the head of Customs in Singapore “told me that almost all of the opium trafficked in his area originates in Red China.” See Siragusa to Anslinger, November 4, 1955, in “Communist China, 1955-1958” file, box 153, BNDD papers.

²⁶ See “Review of the Illicit Traffic in Narcotic Drugs Throughout the World As Reported

Between April 1, 1951 and March 31, 1952,” submitted by Mr. H. J. Anslinger to the CND, April 15, 1952. The draft text, in “Communist China, 1952-1954” file, box 153, BNDD papers, was edited to eliminate mention of opium originating in the Shan States of Burma, Thailand, and Iran, leaving only Communist China as the source of Far Eastern seizures.

²⁷ Memorandum from B. T. Mitchel, Assistant to the Commissioner of Narcotics, to District Supervisor Gentry, San Francisco, May 20, 1953, in “Wayland L. Speer Foreign Assignment” file, 0660-A-3 Correspondence, box 165, BNDD records.

²⁸ Memorandum to Anslinger from Walter P. McConaughy, director of the Office of Chinese Affairs, Department of State, forwarded December 16, 1953, in “Wayland L. Speer Foreign Assignment” file, 0660-A-3 Correspondence, box 165, BNDD records.

²⁹ U.S. Mission to the United Nations press release 1481, May 27, 1952, quoting remarks of Walter Kotschnig, deputy U.S. representative on the Economic and Social Council, in “Communist China, 1952-1954” file, box 153, BNDD papers.

³⁰ Marshall, *Drug Wars* 30-31.

³¹ Nixon White House background memo, “Alleged Involvement of the People’s Republic of China in Illicit Drug Traffic,” February 15, 1972, reprinted in *Congressional Record—House*, March

29, 1972, 10881.

³² McCoy et al., *The Politics of Heroin in Southeast Asia*, 145-148.

³³ Popular journalist and historian George McCormick, writing under the pseudonym Richard Deacon, dismissed such denials by British authorities in Hong Kong as the product of police corruption, “complacency” and “a desire to co-exist with the Communists at all costs.” Following a cleanup of the colony’s police force in 1973, he maintained, drug seizures “proved conclusively that the goods came from the mainland.” Richard Deacon, *The Chinese Secret Service* (New York: Ballantine Books, 1974), 446, 448. This largely unreferenced work is of uncertain reliability.

³⁴ Comments of Rep. John Ashbrook, R-OH, in *Congressional Record—House*, March 29, 1972, 10878. See also Allan C. Brownfeld, *The Peking Connection: Communist China and the Narcotics Trade* (Washington, D.C.: The Committee for a Free China, 1972), reprinted in *The Congressional Record—House* August 17, 1972, 28934-28940; Joseph D. Douglass, *Red Cocaine: The Drugging of America and the West* (London: Edward Harle Ltd., 2001), 11-14; J. H. Turnbull, *Chinese Opium Narcotics: A Threat to the Survival of the West* (Richmond, U.K.: Foreign Affairs Publishing Company, 1972); John Chamberlain, “Coverup of China’s Drug Traffic Won’t Aid U.S.,” *Evening Independent* [St. Petersburg], July 18, 1972.

³⁵ *Congressional Record—House*, March 29, 1972, 10881.

³⁶ William O. Walker III, *Opium and Foreign Policy: The Anglo-American Search for Order in Asia, 1912-1954* (Chapel Hill: The University of North Carolina Press, 1991), 197.

³⁷ Sal Vizzini, *Vizzini* (New York: Pinnacle Books, 1972), 221.

³⁸ Matthew Pembleton, “District 17: The First Foreign Engagement in the War on Drugs?” Unpublished paper presented to the American Historical Association, New Orleans, January 4, 2013.

³⁹ Anslinger and Oursler, *The Murderers* 228; cf. McWilliams, *The Protectors* 151.

⁴⁰ Anslinger memorandum to Chairman of CND, “The Source and Extent of Heroin Traffic in Japan,” April 15, 1952 in “Communist China 1952-1954” file, box 153, BNDD papers; cf. Anslinger and Tompkins, *The Traffic in Narcotics* 70.

⁴¹ Wayland Speer, Chief, Narcotic Control Brigade, GHQ SCAP, memo to Anslinger, April 18, 1952, in “Communist China, 1952-1954” file, box 153, BNDD records.

⁴² For hints of manipulation of SCAP intelligence on narcotics, see Walker, *Opium and Foreign Policy*, 168.

⁴³ For an official description of SCAP anti-subversive operations under Willoughby, see *MacArthur in Japan: The Occupation: Military Phase*, v. 1 supplement (Center for Military History, 1994), 254-258. Accessed December 16, 2012 from <http://www.history.army.mil/books/wwii/MacArthur%20Reports/MacArthur%20V1%20Sup/Index.htm>. Army G-2 in the Far East Command remained insular and "high-handed" at least into 1952; see Curtis Peebles, *Twilight Warriors: Covert Air Operations Against the USSR* (Annapolis: Naval Institute Press, 2005), 77, 79-80.

⁴⁴ Frank Kluckhohn, "Heidelberg to Madrid—The Story of General Willoughby," *The Reporter*, August 19, 1952.

⁴⁵ Bruce Cumings, *The Origins of the Korean War: The Roaring of the Cataract, 1947-1950* (Princeton: Princeton University Press, 1990), 104-115, 123-129.

⁴⁶ "U.S. Paid Unit 731 Members for Data," *Japan Times*, August 15, 2005; Takemae Eiji, *The Allied Occupation of Japan* (New York: The Continuum International Publishing Group, 2002), 162-164; Stephen Mercado, *The Shadow Warriors of Nakano* (Washington, D.C.: Brassey's, 2002), 207-208, 210-211, 219-20; Michael Petersen, "The Intelligence That Wasn't: CIA Name Files, the U.S. Army, and Intelligence Gathering in Occupied Japan," in *Researching Japanese War Crimes Records: Introductory Essays* (Washington:

National Archives and Records Administration, Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group, 2006), 197-229.

⁴⁷ Petersen, "The Intelligence That Wasn't," 197.

⁴⁸ Takemae, *The Allied Occupation of Japan*, 165; Mercado, *The Shadow Warriors of Nakano*, 25-26; Petersen, "The Intelligence That Wasn't," 203-204.

⁴⁹ Jonathan Marshall, "Opium, Tungsten, and the Politics of National Security," 453-54 (Cannon and drugs); Robert Whiting, *Tokyo Underworld: The Fast Times and Hard Life of an American Gangster in Japan* (New York: Pantheon, 1999), 47-48 (Hisayuki Machii and Cannon); H. Richard Friman, "The Impact of the Occupation on Crime," *Democracy in Occupied Japan: the U.S. Occupation and Japanese Politics and Society*, eds. Mark E. Caprio and Yoneyuki Sugita (New York: Routledge, 2007), 103 (Machii and methamphetamines).

⁵⁰ Wayland Speer memo to Anslinger, June 7, 1954, in "Wayland L. Speer Foreign Assignment" file, 0660-A-3 Correspondence, box 165, BNDD records. The publication was Richard L. G. Deverall, *Red China's Dirty Drug War: the Story of the Opium, Heroin, Morphine and Philopon Traffic* (Tokyo: 1954). Deverall was Representative-in-Asia of the American Federation of Labor's CIA-funded Free Trade Union Committee. See Valentine, *Strength of the Wolf*, 151.

⁵¹ Marshall, "Opium, Tungsten," 453-454. On the KMT's efforts to recruit Japanese military officers, with SCAP's secret blessing, see Cumings, *The Origins of the Korean War*, 524-25.

⁵² David Kaplan and Alec Dubro, *Yakuza: Japan's Criminal Underworld* (Berkeley: University of California Press, 2003), 50-51.

⁵³ Takemae Eiji, quoted in Friman, "The Impact of the Occupation on Crime," 93. Future prime minister Kishi Nobusuke, who became one of Washington's favorites after being released from prison along with Kodama in 1948, allegedly became "singularly influential—and likely very rich" in part owing to his "connections to the opium trade" while serving with the Japanese military administration in Manchuria. Richard J. Smith, *Machiavelli's Children: Leaders and Their Legacies in Italy and Japan* (Ithaca: Cornell University Press, 2003), 227.

⁵⁴ Friman, "The Impact of the Occupation on Crime," 98, 103.

⁵⁵ David R. Bewley-Taylor, *United States and International Drug Control, 1909-1997* (London: Continuum International Publishing Group, 2001), 111-112. In a letter to a senior official in the Taiwan government, Anslinger sent thanks "for the excellent material you sent me regarding the illicit narcotic traffic from Communist China which will be of great value when the subject is again discussed at the next Commission meeting." See Anslinger to Yong-ling Yao, Senior

Special Assistant, Ministry of Interior, Republic of China, November 18, 1955, in "Communist China, 1955-1958" file, box 153, BNDD papers. He uncritically accepted claims from *Free China and Asia* published by the Asian Peoples' Anti-Communist League in Taipei, to the effect that rioters in Japan against President Eisenhower were paid by profits from "Red China's sale of dope—heroin mostly—smuggled into Japan." See Harry Anslinger, "The Red Chinese Dope Traffic," *Military Police Journal* (February-March 1961), 6.

⁵⁶ Kettil Bruun, Lynn Pan and Ingemar Rexed, *The Gentlemen's Club: International Control of Drugs and Alcohol* (Chicago: University of Chicago Press 1975), ch. 15.

⁵⁷ Jonathan Marshall, "Opium and the Politics of Gangsterism in Nationalist China, 1927-1945," *Bulletin of Concerned Asian Scholars* 8 (Fall 1976). See also Edward R. Slack, *Opium, State and Society: China's Narco-Economy and the Guomintang, 1924-1937* (Honolulu: University of Hawaii Press, 2001); Brian G. Martin, *The Shanghai Green Gang: Politics and Organized Crime 1919-1937* (Berkeley: University of California Press, 1996); Walker, *Opium and Foreign Policy* and Jonathan Marshall, "Opium, Tungsten, and the Search for National Security, 1940-52," *Journal of Policy History* 3 (Fall 1991), 445-450. In 1929, China's Minister in Washington, and a top consular official in San Francisco, were both indicted on heroin smuggling charges, but were

allowed to return home rather than face trial. See “Drug Shipment Worth Million Seized by U.S.” *Washington Post* July 9, 1929; “Consul, Wife Held in Opium Smuggling,” *Washington Post* July 13, 1929; Douglas Valentine, *The Strength of the Wolf: The Secret History of America’s War on Drugs* (New York: Verso, 2004), 14.

⁵⁸ Wellington Koo to Anslinger, June 3, 1953, in “Communist China, 1952-1954,” file, box 153, BNDD papers.

⁵⁹ Marvin Liebman, secretary of the Committee of One Million, to Anslinger, June 10, 1955, in “Communist China, 1955-1958” file, box 153, BNDD papers; “Peiping Narcotics Cited as UN Bar,” *New York Times* August 1, 1955; Stanley D. Bachrack, *The Committee of One Million: ‘China Lobby’ Politics, 1953-1971* (New York: Columbia University, 1976), 122.

⁶⁰ The film is available at <http://vimeo.com/18895068> (assessed August 11, 2013).

⁶¹ Ross Koen, *The China Lobby in American Politics* (New York: Macmillan, 1960), ix.

⁶² Bachrack, *The Committee of One Million* 167-169; Joseph Keeley, *The China Lobby Man: The Story of Alfred Kohlberg* (New Rochelle, NY: Arlington House, 1989); “Publisher to Alter ‘China Lobby’ Book,” *New York Times* April 6, 1960. In the new edition, author Ross Koen modified the introduction to read that “some Chinese” had

engaged in smuggling with the full knowledge and connivance of “members of the Chinese Nationalist Government,” and that the criminal business had been an important factor in “some activities and permutations” of the China Lobby (emphasis added). Ross Koen, *The China Lobby in American Politics* (New York: Harper & Row, 1974), xxi.

⁶³ Peter Dale Scott, “Opium and Empire: McCoy on Heroin in Southeast Asia,” *Bulletin of Concerned Asian Scholars* 5 (September 1973), 53; Peter Dale Scott, “Transnationalized Repression: Parafascism and the U.S.,” *Lobster* no. 12. For Anslinger’s claim, see *Illicit Narcotics Traffic* 276.

⁶⁴ Ernest O. Hauser, “China’s Soong,” *Life*, March 24, 1941, 96; “Soong Family,” *Biographical Dictionary of Republican China* 3, ed. Howard L. Boorman (New York: Columbia University Press, 1970), 140.

⁶⁵ Marshall, “Opium and the Politics of Gangsterism in Nationalist China” (Soong and opium); Sterling Seagrave, *The Soong Dynasty* (New York: Harper and Row, 1985), 444, 453; Cumings, *The Origins of the Korean War* 109 (China Lobby).

⁶⁶ “Bank of Canton Deal to be Worth \$169 Million,” *San Francisco Chronicle* August 29, 2002.

⁶⁷ Harry Anslinger, “The Red Chinese Dope Traffic,” *Military Police Journal* February-March 1961, 2-6; “Café Trash Uncovers Evidence,”

Oregon Journal, January 15, 1959; Scott, "Transnationalized Repression." The case involved 270 pounds of heroin.

⁶⁸ Quoted in Cumings, *The Origins of the Korean War*, 109.

⁶⁹ Anslinger and Oursler, *The Murderers* 181-182. On McCarthy, see Maxine Cheshire, "Drugs and Washington, D.C.," *Ladies Home Journal* 95 (December, 1978), 180-82; McWilliams, *The Protectors* 99. For a skeptical report, see "Doubts Arise over Story of McCarthy Drug Use," *Philadelphia Inquirer* April 3, 1989. To my knowledge, critics have not offered any more plausible candidate than McCarthy to fit Anslinger's description.

⁷⁰ Bewley-Taylor, *United States and International Drug Control, 1909-1997* 112. British authorities were no doubt furious about criticism from pro-Anslinger outlets like the *Saturday Evening Post* which ran an editorial in the November 8, 1954 issue titled, "Mr. Attlee's Friends, the Chinese Commies, are the World's Leading Dope Smugglers."

⁷¹ FBI report by Agent Douglas G. Allen, San Francisco, January 26, 1954, re "Chinese Communist Activities in Narcotic Smuggling," in "Communist China, 1952-1954" file, box 153, BNDD papers. Anslinger's remarks were quoted in *San Francisco Chronicle* October 20, 1953. In a later report, the FBN district supervisor noted, "During the course of investigations made in this

district within the past four years we have not established a single instance of the transmittal of funds by violators in the United States directly to persona in Communist dominated areas (Communist China, Communist North Korea and their nationals)." See District Supervisor Ernest Gentry to B. T. Mitchell, Assistant to the Commissioner of Narcotics, June 24, 1954, re "Communist Chinese Narcotics Trade," in "Communist China, 1952-1954" file, box 153, BNDD files.

⁷² FBN agent John Cusack referred bitterly to Customs agents in the Far East who "have fought me all along the way in an attempt to protect the great deception their service has sponsored these many years" with regard to "our position on the CHICOM narcotic trade." See Cusack to Anslinger, October 28, 1961, in "Communist China, 1959-1961" file, box 153, BNDD records. Cusack was equally disappointed by the failure of Thai and United Nations experts to acknowledge Red China's involvement. See Cusack to Anslinger, February 23, 1962, in "Thailand, 1957-1963" file, box 163, BNDD records; cf. Cusack to Bureau of Narcotics Commissioner Henry Giordano, May 5, 1965, in "Thailand, 1964-65" file, *ibid.* Wayland Speer also expressed his frustration to Anslinger over the "continuous protests of our representatives in the Far East at the present time against pointing a finger at Red China as the source of narcotics." See Speer to Anslinger, November 8, 1957, in

“Thailand, 1957-63” file, *ibid*.

⁷³ Kent W. Lewis, Treasury Representative, Tokyo, to Commissioner of Customs, November 29, 1954; Speer to Anslinger, January 10, 1954 [1955?], re “Red China and Sales of Illicit Narcotic—Kyodo News Report,” in Communist China, 1952-1954” file, box 153, BNDD papers.

⁷⁴ Walter O’Brien, Treasury Representative, Hong Kong, to C. A. Emerick, Deputy Commissioner, Division of Investigations, Bureau of Customs, September 28, 1954; O’Brien to Emerick, May 9, 1955; O’Brien to Commissioner of Customs, May 16, 1955, in “Communist China, 1955-1958” file, box 153, BNDD records.

⁷⁵ Kelly to Anslinger, June 17, 1958, quoted in Kathleen Frydl, *The Drug Wars in America, 1940-1973* (Cambridge University Press, 2013), 85. See also Kelly to A. Gilmore Flues, assistant secretary of Treasury, September 22, 1960, complaining of Anslinger’s acceptance of claims “without fact,” in “Communist China, 1959-1961,” file, box 153, BNDD records.

⁷⁶ Anslinger to A. Gilmore Flues, assistant secretary of Treasury, May 8, 1958, quoted in Frydl, *The Drug Wars in America*, 85.

⁷⁷ Central Intelligence Agency, Office of Research and Reports, “An Examination of the Charges of Chinese Communist Involvement in the Illicit Opium Trade,” CIA/RR IM-438, 9 November 1956. Released Nov. 2003 (with redactions) under

Freedom of Information Act..

⁷⁸ CIA report, “The World Opium Situation,” CIA-RDP73B00296R000300060031-9, October 1970, released under Freedom of Information Act, August 30, 2001.

⁷⁹ In addition to McCoy, see Gibson and Chen, *The Secret Army*; Bertil Lintner, *Burma in Revolt: Opium and Insurgency Since 1948* (Chiang Mai: Silkwood Books, 1999); Robert Taylor, *Foreign and Domestic Consequences of the Kuomintang Intervention in Burma* (Ithaca, N.Y.: Cornell University Southeast Asia Program, 1973); Walker, *Opium and Foreign Policy*, 189-217; Victor S. Kaufman, “Trouble in the Golden Triangle: The United States, Taiwan and the 93rd Nationalist Division,” *China Quarterly* no. 166 (June 2001), 440-456; and Peter Dale Scott, *The American War Machine: Deep Politics, the CIA Global Drug Connection, and the Road to Afghanistan* (London: Rowman & Littlefield, 2010), 63-108.

⁸⁰ The U.S. agency that initiated covert contacts with the KMT was the Office of Policy Coordination (OPC), nominally part of the CIA, but more responsive in practice to the Departments of State and Defense. OPC came under tighter CIA control after Walter Bedell Smith became CIA director (October 1950), and especially after he appointed Allen Dulles deputy director for plans in August 1951. Scott, *American War Machine*, 75-76; Peebles, *Twilight Warriors*, 21,

47.

⁸¹ U.S. ambassadors in the region, embarrassed by Washington's continued denials of the obvious, pleaded for a change of policy. In the words of David Key, ambassador to Burma, "this adventure has cost us heavily in terms of Burmese good will and trust. Participation by Americans in these KMT operations well known to GOB [Government of Burma] and constitutes serious impediment to our relations with them . . . Denial of official US connection with these operations meaningless to GOB in face of reports they constantly receiving from their officials in border areas that KMT troops are accompanied by Americans and receiving steady supply American equipment, some of which dropped from American planes, and of reports from their British Embassy of American support activities going on in Siam, which is an open secret there. . . This situation is prejudicing everything which we are striving to accomplish here and threatens all of our future prospects. . . . For this reason I feel strongly that the time has come to call a halt to any further American participation in these operations . . ." Ambassador Key to Secretary of State, August 15, 1951, in U.S. Department of State, *Foreign Relations of the United States, 1951, Asia and the Pacific* VI, 28 (hereafter *FRUS*). Key resigned a year later in protest. By early 1953, however, his views had been largely enshrined in National Intelligence Estimate 74, "Probable Developments in Burma Through 1953," *FRUS*,

1952-1954. *East Asia and the Pacific* XI 54.

⁸² Ambassador William Sebald (Burma) to Department of State, November 23, 1953, *FRUS*, 1952-1954. *East Asia and the Pacific* XII 73.

⁸³ Support for the corrupt Thai police was endorsed at the highest levels of the Eisenhower administration by the Psychological Strategy Board and by the State Department, despite the military regime's undemocratic and corrupt record. See Psychological Strategy Board, PSB D-23, "U.S. Psychological Strategy Based on Thailand," September 14, 1953, *FRUS*, 1952-1954. *East Asia and the Pacific*, XII 688-690, and Memorandum by the Regional Director for Far East, Foreign Operations Administration (Moyer) to the Director of the Foreign Operations Administration (Stassen), December 1, 1954, re "Additional Assistance to Thailand," *ibid.*, 739-48.

⁸⁴ The American Vice Consul in Thailand, John Farrow, wrote in a report on "Smuggling in Northern Thailand and Chinese nationalist Troops in Burma," July 30, 1951: "It is the conclusion of the embassy that there is a close connection between the opium smuggling business and the supply of Chinese Nationalist troops in Burma. The business is carried on with the active assistance of Phao as a means of enriching the coffers of the Thai National Police but also as part of official Thai government policy." In Thailand folder, box 26, Records of the Office of Economic and Social Affairs Related to

Narcotics, Department of State, Record Group 59, National Archives.

⁸⁵ McCoy, *The Politics of Heroin in Southeast Asia* 144-145.

⁸⁶ Alfred McCoy, *The Politics of Heroin* (Brooklyn: Lawrence Hill Books, 1991), 445-460.

⁸⁷ David Wise and Thomas Ross, *The Invisible Government* (New York: Random House, 1964), 131.

⁸⁸ "CIA-funded corruption and competition rose to a crisis in the Bangkok station early in 1952, when [CIA Director Walter Bedell] Smith had to send top officials" from the CIA's two clandestine branches "out to untangle a mess of opium trading under the cover of efforts to topple the Chinese communists." Peter Grose, *Gentleman Spy: The Life of Allen Dulles* (Boston: Houghton Mifflin, 1994), 324. On CIA complicity in running KMT opium to market in Bangkok, and on the apparently related murder of CIA contract pilot Jack Killam, see William R. Corson, *The Armies of Ignorance: The Rise of the American Intelligence Empire* (New York: The Dial Press, 1977), 322-23. The CIA's Bill Lair, who trained and supervised a guerrilla warfare unit of the Thai police called PARU, recalled that the first operation he mounted was against a KMT opium caravan near Chiang Mai, resulting in the seizure of 40 tons of opium. The police handed the opium over to the government for a large reward, mostly for the personal profit of Thai

officers. See Texas Tech University, Vietnam Oral History Project, interview with Bill Lair, December 12, 2001, p: / / www.vietnam.ttu.edu/star/images/oh/oh0200/OH0200-part2.pdf (accessed August 17, 2013); Scott, *American War Machine*. The opium was typically not destroyed, but resold either through the legal opium monopoly, or to international smugglers.

⁸⁹ "New Thai Consulate to be Opened by U.S.," *New York Times* May 23, 1950.

⁹⁰ "Li Mi's Army in 'Guns for Opium' Trade," *The Observer* March 2, 1952.

⁹¹ "Adventurism in Burma," *Washington Post* March 15, 1952. The *New York Times* confirmed elements of the *Observer* story a few days later, but sidestepped the explosive allegation of direct American criminal complicity. "Chinese Nationalist troops who have taken refuge in northeastern Burma are being supplied regularly through an opium-for-guns smuggling arrangement in Thailand," it stated. The trade was coordinated by a Nationalist Chinese colonel in Chiangmai, Thailand who forwarded opium south to "Bangkok and onward." The State Department, however, still denied reports that the United States was assisting the KMT "in any way." See "Chinese in Burma in Opium-Gun Deal," *New York Times* March 9, 1952; also See also "Burma Chinese Trade Opium for Supplies," *Washington Post* March 9, 1952. For a first-hand

account of KMT opium caravans, see Karl Reichel, "I Saw the Dope Runners' Stronghold," *Saturday Evening Post* March 29, 1952, 40-41+.

⁹² Ambassador Sebald (Burma) to Department of State, September 3, 1952, *FRUS, 1952-1954. East Asia and the Pacific XI* 29-30.

⁹³ "The Opium Army in Burma," *Lewiston Evening Journal*, March 28, 1953. See also John F. Cady, "The Situation in Burma," *Far Eastern Survey* 22 (April 22, 1953), pp. 49-54.

⁹⁴ *New York Herald Tribune* March 22, 1953, quoted in Lintner, *Burma in Revolt*, 131.

⁹⁵ "Embarrassing Army," *Time*, April 13, 1953; "Last Ditch Army," *Time*, May 18, 1953.

⁹⁶ Joseph Alsop, "Nationalist Force Hated to Leave Burma," *Lewiston Morning Tribune* December 1, 1953; Charles S. Brant, "They Won't Go Home: Chiang's Guerrillas in Burma," *The Nation*, September 25, 1954, 257-259; "Burma Warns UN on Chinese Issue," *New York Times* October 12, 1954; Hugh Tinker, "Burma's Northeast Borderland Problems," *Pacific Affairs* 29 (Dec. 1956), 324-346.

⁹⁷ "Burma Says Invaders Buy American Arms," *New York Times* August 12, 1953. See also, a year later, "Chinese in Burma Hurt U.S. Prestige," *New York Times* October 22, 1954.

⁹⁸ The company's full name was Overseas Southeast Asia Supply Company, or Sea Supply

for short. The U.S. ambassador to Burma, William Sebald, was kept in the dark about all these covert operations, but "discovered through personal investigation on the scene that the CIA's involvement was an open secret in sophisticated circles in Bangkok, Thailand. There, he learned, the CIA planned and directed the [KMT] operation under the guise of running Sea Supply, a trading company with the cable address 'Hatchet'" (Wise and Ross, *The Invisible Government*, 131). On Sea Supply, see Lintner, *Burma in Revolt*, 129-30, 141-42, 145-46, 191; Daniel Fineman, *A Special Relationship: The United States and Military Government in Thailand, 1947-1958* (Honolulu: University of Hawaii Press, 1997), 134-35, 140-41; Joshua Kurlantzick, *The Ideal Man: The Tragedy of Jim Thompson and the American Way of War* (Hoboken, N.J.: John Wiley & Sons, 2011), 106-110; Peebles, *Twilight Warriors*, 89-90.

⁹⁹ "Thai Opium Informers Paid," *New York Times* September 22, 1955. O'Kearney, "Opium Trade: Is China Responsible?" described Phao a month later as "the most notorious name in narcotics." A British reporter wrote, "There is now no doubt that the so-called opium smuggling is not smuggling at all but a large-scale trading concern organized by the police with the aid of Bangkok financiers. These men and the police share the rewards paid by the Government and also the profit from the sale of the opium . . ." ("Siamese Attack on the Opium Trade," *Manchester*

Guardian September 3, 1955).

¹⁰⁰ “Pibul Tightens Grip on Thailand,” *New York Times*, August 7, 1955; Darrell Berrigan, “They Smuggle Opium by the Ton,” *Saturday Evening Post*, May 5, 1956, 156.

¹⁰¹ Senate Judiciary Committee, hearings, *Illicit Narcotics Traffic* 276. Anslinger added, “Opium is brought from Yunnan Province to the border of Thailand by horse and mule train. From 200 to 400 tons of raw opium are moved annually to and through Thailand from Mainland China. . . . The opium reaches Bangkok by boat, truck, rail, and plane, and 3 to 4 tons can be delivered at any time to a point outside the harbor at Bangkok in the open sea.” For similar testimony, see *Communist China and Illicit Narcotics Traffic*, op. cit., 8, 16.

¹⁰² Berrigan, “They Smuggle Opium by the Ton,” 158.

¹⁰³ Denis Warner, *The Last Confucian* (New York: Macmillan Co., 1963), 237; cf. Fineman, *A Special Relationship* 240.

¹⁰⁴ Speer, a die-hard believer in Red China’s guilt, lobbied for the assignment. See Wayland L. Speer memo to Anslinger, “International Narcotic Traffic in the Far East,” September 23, 1953, in “Wayland L. Speer’s Foreign Assignment” file, box 165, BNDD records.

¹⁰⁵ Quote is from Speer’s memo to the Federal

Bureau of Narcotics, January 27, 1954, *ibid*. Anslinger repeated the allegation in his statement to the CND’s 9th session in 1954, contained in “U.N. Documents Relating to Communist China file,” box 153, BNDD records. Anslinger also provided the same quote as “confidential information” to Rep. Gordon Canfield, R.-N.J., in a letter of February 11, 1954, in “Communist China, 1952-1954” file, box 153, BNDD records.

¹⁰⁶ See Wayland Speer memos to Anslinger in “Thailand, 1949-1956” file, box 163, BNDD records, especially dated July 16 and 20, 1954. The only credible evidence of a Communist Chinese connection came in a July 18, 1954 memo, in which Speer reported that an ethnic Chinese smuggler named L. Y. Goh “for the past few years has bought opium in Yunnan, smuggled it into Thailand, transported it into Bangkok in one, two or three-ton lots and sold it to the Thailand Excise Department.” In a July 20 memo, Speer reported flying over part of Northern Thailand: “From the areas I saw yesterday I must conclude that the amounts of opium grown by hill tribes must be small. The real traffic must come out of Red China.” So much for his evidence.

¹⁰⁷ Wayland Speer to Anslinger, July 16, 1954 – re “Red China Traffic in Narcotics—Thailand” in “Thailand, 1949-56 file,” box 163, BNDD papers. The same memo offers information on various other alleged smugglers, including corrupt CAT

officials, members of the Taiwan secret police, and a former head of Thai Airways, then serving as ambassador to France. On CAT pilot Robert Brongersma and KMT opium smuggling, see also Gibson and Chen, *The Secret Army*⁶². Whether as an honest pilot or a smuggler, he certainly made good money, as evidenced by the flashy, \$3,800 diamond he showed off to Speer. See Speer to Anslinger, July 24, 1954, in “Wayland L. Speer’s Foreign Assignment” file, box 165, BNDD records.

¹⁰⁸ Besides those mentioned in Speer’s July 16, 1954 memo, the most notable CAT suspect—who came under FBN investigation in Taiwan—was the pilot Moon Chen, right-hand man to CAT’s founder, General Claire Chennault. See Speer to Anslinger, July 24, 1954, in “Wayland L. Speer’s Foreign Assignment” file, box 165, BNDD records. (For a photo of Chen next to CAT co-founder William Pawley, see <http://www.cnac.org/moonchen01.htm>, accessed December 20, 2012.) For another report on smuggling by a CAT pilot, see “Vietnam - Dope Smuggling Mission Contract Plane,” October 18, 1956, in box 164, BNDD records.

¹⁰⁹ Speer to Anslinger, July 17, 1954, in “Thailand, 1949-56 file,” box 163, BNDD papers.

¹¹⁰ Speer to Anslinger, July 18, 1954, *ibid.*

¹¹¹ Speer to Anslinger, July 20, 1954, *ibid.* A report from the U.S. embassy—which made its way to the FBN—said Bird was “suspected of being the

largest opium dealer in Thailand” (emphasis added). See Eric Youngquist, vice consul, Bangkok, to Department of State, April 5, 1955, *ibid.* However, one of Speer’s sources said that widespread rumors implicating Bird in the drug traffic sprang from his relationship with Gen. Phao, not from any specific facts. See Speer to Anslinger, July 21, 1954, *ibid.* For fine portraits of Bird, including details of his close relationship with the CIA station, see Fineman, *A Special Relationship* 133-134; and Kurlantzick, *The Ideal Man*, 94-95, and *passim*. For a photo of Bird and his wife, see “For Westerners, the Good Life,” *Life*, December 31, 1951, 37.

¹¹² Speer to Anslinger, July 24, 1954, in “Wayland L. Speer’s Foreign Assignment” file, box 165, BNDD records.

¹¹³ Dr. James Hamilton letter to George White, FBN District Supervisor, San Francisco, May 5, 1957, in “Thailand, 1957-63” file,” box 163, BNDD papers. Hamilton interviewed approximately 25 informants during an extensive trip to Thailand and Burma. He was a Bay Area psychiatrist who worked with White on two secret CIA programs, MKULTRA and MKSEARCH, which investigated “mind control” techniques using drugs. See John Marks, *The Search for the Manchurian Candidate* (New York: Time Books, 1979), 72, 149.

¹¹⁴ On the case of Air Force Sergeant Melvin B. Douglas, who was arrested at Kai Tak Airport in

Hong Kong with 40 pounds of opium and morphine, see Speer to Anslinger, February 23, 1955 and March 10, 1955, in “Wayland L. Speer’s Foreign Assignment” file, box 165, BNDD records.

¹¹⁵ Anslinger to G. E. Yates, Director, Division of Narcotic Drugs, European Office of the United Nations, October 2, 1957, in “Thailand, 1957-63” file, box 163, BNDD papers.

¹¹⁶ Ambassador Johnson in Thailand to the Director of the Office of Southeast Asian Affairs (Kocher), June 19, 1959, *FRUS 1958-1960, XV, South and Southeast Asia*, 1079-1080. A month earlier, Burmese troops reported capturing three major drug refineries set up by KMT forces near the Thai border. See “3 Dope Factories Seized in Burma,” *Meriden Record* (Pa.), May 20, 1959.

¹¹⁷ On Williams’ background, see McWilliams, *The Protectors*, 160-62.

¹¹⁸ Garland Williams, “Narcotic Situation in South Asia and the Far East,” August 4, 1959, in Special file—Garland Williams trip to Middle East (1959) Iran” file, box 158, BNDD records.

¹¹⁹ Eric Youngquist, vice consul, Bangkok, to Department of State, April 5, 1955, in “Thailand, 1949-56 file,” box 163, BNDD papers.

¹²⁰ Consul William B. Hussey, quoted in Jerry Kuzmarov, *The Myth of the Addicted Army: Vietnam and the Modern War on Drugs* (University

of Massachusetts Press, 2009), 87-88.

¹²¹ See, for example, Meyer and Parssinen, *Webs of Smoke* 272-275; Hans Derks, *History of the Opium Problem: The Assault on the East, ca. 1600-1950* (Leiden: Brill, 2012), 700-701.

¹²² Zhou Yongming, *Anti-Drug Crusades in Twentieth Century China* (Lanham, MD: Rowman & Littlefield, 1999), 96.

¹²³ *Ibid.*, 98-111.

¹²⁴ *Ibid.*, 113-114. Years later, when the authority of China’s central government was not in question, drugs reemerged as a major national problem. Alan Dupont, “Transnational Crime, Drugs, and Security in East Asia,” *Asian Survey* 39 (May-June 1999), 445-446.

¹²⁵ Walker, *Opium and Foreign Policy*, 197.

¹²⁶ Deacon, *The Chinese Secret Service*, 440-453. Although the reliability of his sources is unknown, Deacon (George McCormick) claimed to have compiled 37 reports from 26 individuals and to have interviewed more than fifty people—“Chinese, Taiwanese, Communist defectors, police officers, secret agents, drug squad officers and non-Communist Intelligence officers”—who confirmed the involvement of Communist China and its intelligence service in the international narcotics trade (447).

¹²⁷ Jung Chang and Jon Halliday, *Mao: The Unknown Story* (New York: Alfred A. Knopf,

2005), 276-280; Derks, *History of the Opium* 214-15.

Problem, 704-707; Zhou, *Anti-Drug Crusades*

176n18.

¹²⁹ The quote is from the “Downing Street memo” of July 23, 2002, published in *Sunday Times* May

¹²⁸ Quoted in Walker, *Opium and Foreign Policy* 1, 2005.