Can the US Triumph in the Drug-Addicted War in Afghanistan? Opium, the CIA and the Karzai Administration

Peter Dale Scott

Alfred McCoy’s important new article for TomDispatch (March 30, 2010) deserves to mobilize Congress for a serious revaluation of America’s ill-considered military venture in Afghanistan. The answer to the question he poses in his title – “Can Anyone Pacify the World’s Number One Narco-State? - is amply shown by his impressive essay to be a resounding “No!” . . . not until there is fundamental change in the goals and strategies both of Washington and of Kabul.

He amply documents that

- the Afghan state of Hamid Karzai is a corrupt narco-state, to which Afghans are forced to pay bribes each year $2.5 billion, a quarter of the nation’s economy;

- the Afghan economy is a narco-economy: in 2007 Afghanistan produced 8,200 tons of opium, a remarkable 53% of the country’s GDP and 93% of global heroin supply.

- military options for dealing with the problem are at best ineffective and at worst counterproductive: McCoy argues that the best hope lies in reconstructing the Afghan countryside until food crops become a viable alternative to opium, a process that could take ten or fifteen years, or longer. (I shall argue later for an interim solution: licensing Afghanistan with the International Narcotics Board to sell its opium legally.)
Perhaps McCoy’s most telling argument is that in Colombia cocaine at its peak represented only about 3 percent of the national economy, yet both the FARC guerillas and the right-wing death squads, both amply funded by drugs, still continue to flourish in that country. To simply eradicate drugs, without first preparing for a substitute Afghan agriculture, would impose intolerable strains on an already ravaged rural society whose only significant income flow at this time derives from opium. One has only to look at the collapse of the Taliban in 2001, after a draconian Taliban-led reduction in Afghan drug production (from 4600 tons to 185 tons) left the country a hollow shell.

On its face, McCoy’s arguments would appear to be incontrovertible, and should, in a rational society, lead to a serious debate followed by a major change in America’s current military policy. McCoy has presented his case with considerable tact and diplomacy, to facilitate such a result.

The CIA’s Historic Responsibility for Global Drug Trafficking

Unfortunately, there are important reasons why such a positive outcome is unlikely any time soon. There are many reasons for this, but among them are some unpleasant realities which McCoy has either avoided or downplayed in his otherwise brilliant essay, and which have to be confronted if we will ever begin to implement sensible strategies in Afghanistan.

The first reality is that the extent of CIA involvement in and responsibility for the global drug traffic is a topic off limits for serious questioning in policy circles, electoral campaigns, and the mainstream media. Those who have challenged this taboo, like the journalist Gary Webb, have often seen their careers destroyed in consequence.

Since Alfred McCoy has done more than anyone else to heighten public awareness of CIA responsibility for drug trafficking in American war zones, I feel awkward about suggesting that he downplays it in his recent essay. True, he acknowledges that “Opium first emerged as a key force in Afghan politics during the CIA covert war against the Soviets,” and he adds that “the CIA’s covert war served as the catalyst that transformed the Afghan-Pakistan borderlands into the world’s largest heroin producing region.”

But in a very strange sentence, McCoy suggests that the CIA was passively drawn into drug alliances in the course of combating Soviet forces in Afghanistan in the years 1979-88, whereas in fact the CIA clearly helped create them precisely to fight the Soviets:

In one of history’s ironic accidents, the southern reach of communist China and the Soviet Union had coincided with Asia’s opium zone along this same mountain rim, drawing the CIA into ambiguous alliances with the region’s highland warlords.

There was no such “accident” in Afghanistan, where the first local drug lords on an international scale – Gulbuddin Hekmatyar and Abu Rasul Sayyaf – were in fact launched internationally as a result of massive and ill-advised assistance from the CIA, in conjunction with the governments of Pakistan and Saudi Arabia. While other local resistance forces were accorded second-class status, these two clients of Pakistan and Saudi Arabia, precisely because they lacked local support, pioneered the use of opium and heroin to build up their fighting power and financial resources.¹ Both, moreover, became agents of salafist extremism, attacking the indigenous Sufi-influenced Islam of Afghanistan. And ultimately both became sponsors of al Qaeda.²
CIA involvement in the drug trade hardly began with its involvement in the Soviet-Afghan war. To a certain degree, the CIA’s responsibility for the present dominant role of Afghanistan in the global heroin traffic merely replicated what had happened earlier in Burma, Thailand, and Laos between the late 1940s and the 1970s. These countries also only became factors in the international drug traffic as a result of CIA assistance (after the French, in the case of Laos) to what would otherwise have been only local traffickers.

One cannot talk of “ironic accidents” here either. McCoy himself has shown how, in all of these countries, the CIA not only tolerated but assisted the growth of drug-financed anti-Communist assets, to offset the danger of Communist Chinese penetration into Southeast Asia. As in Afghanistan today CIA assistance helped turn the Golden Triangle, from the 1940s to the 1970s, into a leading source for the world’s opium.

In this same period the CIA recruited assets along the smuggling routes of the Asian opium traffic as well, in countries such as Turkey, Lebanon, Italy, France, Cuba, Honduras, and Mexico. These assets have included government officials like Manuel Noriega of Panama or Vladimiro Montesinos of Peru, often senior figures in CIA-assisted police and intelligence services. But they have also included insurrectionary movements, ranging from the Contras in Nicaragua in the 1980s to (according to Robert Baer and Seymour Hersh) the al Qaeda-linked Jundallah, operating today in Iran and Baluchistan.
The Karzai Government, not the Taliban, Dominate the Afghan Dope Economy

Perhaps the best example of such CIA influence via drug traffickers today is in Afghanistan itself, where those accused of drug trafficking include President Karzai’s brother, Ahmed Wali Karzai (an active CIA asset), and Abdul Rashid Dostum (a former CIA asset). The drug corruption of the Afghan government must be attributed at least in part to the U.S. and CIA decision in 2001 to launch an invasion with the support of the Northern Alliance, a movement that Washington knew to be drug-corrupted.

In this way the U.S. consciously recreated in Afghanistan the situation it had created earlier in Vietnam. There too (like Ahmed Wali Karzai a half century later) the president’s brother, Ngo dinh Nhu, used drugs to finance a private network that was used to rig an election for Ngo dinh Diem. Thomas H. Johnson, coordinator of anthropological research studies at the Naval Postgraduate School, has pointed out the unlikelihood of a counterinsurgency program succeeding when that program is in support of a local government that is flagrantly dysfunctional and corrupt.

Thus I take issue with McCoy when he, echoing the mainstream U.S. media, depicts the Afghan drug economy as one dominated by the Taliban. (In McCoy’s words, “If the insurgents capture that illicit economy, as the Taliban have done, then the task becomes little short of insurmountable.”) The Taliban’s share of the Afghan opium economy is variously estimated from $90 to $400 million. But the U.N. Office on Drugs and Crime (UNODC) estimates that the total Afghan annual earnings from opium and heroin are in the order of from $2.8 to $3.4 billion.

Clearly the Taliban have not “captured” this economy, of which the largest share by far is controlled by supporters of the Karzai government. In 2006 a report to the World Bank argued “that at the top level, around 25-30 key traffickers, the majority of them in southern Afghanistan, control major transactions and transfers, working closely with sponsors in top government and political positions.” In 2007 the London Daily Mail reported that “the four largest players in the heroin business are all senior members of the Afghan government.”

The American media have confronted neither this basic fact nor the way in which it has distorted America’s opium and war policies in Afghanistan. The Obama administration appears to have shifted away from the ill-advised eradication programs of the Bush era, which are certain to lose the hearts and minds of the peasantry. It has moved instead towards a policy of selective interdiction of the traffic, explicitly limited to attacks on drug traffickers who are supporting the insurgents.

This policy may or may not be effective in weakening the Taliban. But to target what constitutes about a tenth of the total traffic will clearly never end Afghanistan’s current status as the world’s number one narco-state. Nor will
it end the current world post-1980s heroin epidemic, which has created five million addicts in Pakistan, over two million addicts inside Russia, eight hundred thousand addicts in America, over fifteen million addicts in the world, and one million addicts inside Afghanistan itself. Nor will it end the current world post-1980s heroin epidemic, which has created five million addicts in Pakistan, over two million addicts inside Russia, eight hundred thousand addicts in America, over fifteen million addicts in the world, and one million addicts inside Afghanistan itself.

The Obama government’s policy of selective interdiction also helps explain its reluctance to consider the most reasonable and humane solution to the world’s Afghan heroin epidemic. This is the “poppy for medicine” initiative of the International Council on Security and Development (ICOS, formerly known as The Senlis Council): to establish a trial licensing scheme, allowing farmers to sell their opium for the production of much-needed essential medicines such as morphine and codeine.\(^{12}\)

The proposal has received support from the European Parliament and in Canada; but it has come under heavy attack in the United States, chiefly on the grounds that it might well lead to an increase in opium production. It would however provide a short-term answer to the heroin epidemic that is devastating Europe and Russia – something not achieved by McCoy’s long-term alternative of crop substitution over ten or fifteen years, still less by the current Obama administration’s program of selective elimination of opium supplies.

An unspoken consequence of the “poppy for medicine” initiative would be to shrink the illicit drug proceeds that are helping to support the Karzai government. Whether for this reason, or simply because anything that smacks of legalizing drugs is a tabooed subject in Washington, the “poppy for medicine” initiative is unlikely to be endorsed by the Obama administration.

**Afghan Heroin and the CIA’s Global Drug Connection**

There is another important paragraph where McCoy, I think misleadingly, focuses attention on Afghanistan, rather than America itself, as the locus of the problem:

At a drug conference in Kabul this month, the head of Russia’s Federal Narcotics Service estimated the value of Afghanistan’s current opium crop at $65 billion. Only $500 million of that vast sum goes to Afghanistan’s farmers, $300 million to the Taliban guerrillas, and the $64 billion balance “to the drug mafia,” leaving ample funds to corrupt the Karzai government (emphasis added) in a nation whose total GDP is only $10 billion.

What this paragraph omits is the pertinent fact that, according to the U.N. Office on Drugs and Crime, only 5 or 6 percent of that $65 billion, or from $2.8 to $3.4 billion, stays inside Afghanistan itself.\(^{13}\) An estimated 80 percent of the earnings from the drug trade are derived from the countries of consumption – in this case, Russia, Europe, and America. Thus we should not think for a moment that the only government corrupted by the Afghan drug trade is the country of origin. Everywhere the traffic has become substantial, even if only in transit, it has survived through protection, which in other words means corruption.

There is no evidence to suggest that drug money from the CIA’s trafficker assets fattened the financial accounts of the CIA itself, or of its officers. But the CIA profited indirectly from the drug traffic, and developed over the years a close relationship with it. The CIA’s off-the-
books war in Laos was one extreme case where it fought a war, using as its chief assets the Royal Laotian Army of General Ouane Rattikone and the Hmong Army of General Vang Pao, which were, in large part, drug-financed. The CIA’s massive Afghanistan operation in the 1980s was another example of a war that was in part drug-financed.

Video shows the CIA’s Hmong Army led by Gen. Vang Pao in action in Laos

Protection for Drug Trafficking in America

Thus it is not surprising that the U.S. Government, following the lead of the CIA, has over the years become a protector of drug traffickers against criminal prosecution in this country. For example both the FBI and CIA intervened in 1981 to block the indictment (on stolen car charges) of the drug-trafficking Mexican intelligence czar Miguel Nazar Haro, claiming that Nazar was “an essential repeat essential contact for CIA station in Mexico City,” on matters of “terrorism, intelligence, and counterintelligence.” When Associate Attorney General Lowell Jensen refused to proceed with Nazar’s indictment, the San Diego U.S. Attorney, William Kennedy, publicly exposed his intervention. For this he was promptly fired.

A recent spectacular example of CIA drug involvement was the case of the CIA’s Venezuelan asset General Ramon Guillén Davila. As I write in my forthcoming book, Fueling America’s War Machine, General Ramon Guillén Davila, chief of a CIA-created anti-drug unit in Venezuela, was indicted in Miami for smuggling a ton of cocaine into the United States. According to the New York Times, “The CIA, over the objections of the Drug Enforcement Administration, approved the shipment of at least one ton of pure cocaine to Miami International Airport as a way of gathering information about the Colombian drug cartels.” Time magazine reported that a single shipment amounted to 998 pounds, following earlier ones “totaling nearly 2,000 pounds.” Mike Wallace confirmed that “the CIA-national guard undercover operation quickly accumulated this cocaine, over a ton and a half that was smuggled from Colombia into Venezuela.” According to the Wall Street Journal, the total amount of drugs smuggled by Gen. Guillén may have been more than 22 tons.

But the United States never asked for Guillén’s extradition from Venezuela to stand trial; and in 2007, when he was arrested in Venezuela for plotting to assassinate President Hugo Chavez, his indictment was still sealed in Miami. Meanwhile, CIA officer Mark McFarlin, whom DEA Chief Bonner had also wished to indict, was never indicted at all; he merely resigned.

Nothing in short happened to the principals in this case, which probably only surfaced in the media because of the social unrest generated in the same period by Gary Webb’s stories in the San Jose Mercury about the CIA, Contras, and cocaine.

Banks and Drug Money Laundering

Other institutions with a direct stake in the international drug traffic include major banks, which make loans to countries like Colombia and Mexico knowing full well that drug flows will help underwrite those loans’ repayment. A number of our biggest banks, including Citibank, Bank of New York, and Bank of
Boston, have been identified as money laundering conduits, yet never have faced penalties serious enough to change their behavior. In short, United States involvement in the international drug traffic links the CIA, major financial interests, and criminal interests in this country and abroad.

Antonio Maria Costa, head of the UN Office on Drugs and Crime, has said that “Drugs money worth billions of dollars kept the financial system afloat at the height of the global crisis.” According to the London Observer, Costa said he has seen evidence that the proceeds of organised crime were "the only liquid investment capital" available to some banks on the brink of collapse last year. He said that a majority of the $352bn (£216bn) of drugs profits was absorbed into the economic system as a result.... Costa said evidence that illegal money was being absorbed into the financial system was first drawn to his attention by intelligence agencies and prosecutors around 18 months ago. "In many instances, the money from drugs was the only liquid investment capital. In the second half of 2008, liquidity was the banking system's main problem and hence liquid capital became an important factor," he said.

In the end it was not Washington that first moved to terminate the banking activities in America of BCCI and its illegal U.S. subsidiaries; it was the determined activity of two outsiders -- Washington lawyer Jack Blum and Manhattan District Attorney Robert Morgenthau.

Conclusion: The Source of the Global Drug problem is not Kabul, but Washington

I understand why McCoy, in his desire to change an ill-fated policy, is more decorous than I am in acknowledging the extent to which powerful American institutions—government, intelligence and finance—and not just the Karzai government, have been corrupted by the pervasive international drug traffic. But I believe that his tactfulness will prove counter-productive. The biggest source of the global drug problem is not in Kabul, but in Washington. To change this scandal will require the airing of facts which McCoy, in this essay, is reluctant to address.

In his magisterial work, The Politics of Heroin, McCoy tells the story of Carter’s White House drug advisor David Musto. In 1980 Musto told the White House Strategy Council on Drug Abuse that “we were going into Afghanistan to support the opium growers in their rebellion against the Soviets. Shouldn’t we try to avoid what we had done in Laos?” Denied access by the CIA to data to which he was legally entitled, Musto took his concerns public in May 1980, noting in a New York Times op-ed that Golden Crescent heroin was already (and for the first time) causing a medical crisis in New York. And
he warned, presciently, that “this crisis is bound to worsen.”

Musto hoped that he could achieve a change of policy by going public with a sensible warning about a disastrous drug-assisted adventure in Afghanistan. But his wise words were powerless against the relentless determination of what I have called the U.S. war machine in our government and political economy. I fear that McCoy’s sensible message, by being decorous precisely where it is now necessary to be outspoken, will suffer the same fate.

Peter Dale Scott, a former Canadian diplomat and English Professor at the University of California, Berkeley, is the author of Drugs Oil and War, The Road to 9/11, The War Conspiracy: JFK, 9/11, and the Deep Politics of War. His American War Machine: Deep Politics, the CIA Global Drug Connection and the Road to Afghanistan is in press from Rowman & Littlefield.

His website, which contains a wealth of his writings, is here.

He wrote this article for The Asia-Pacific Journal.


The government takes care of the policies that govern drug trafficking while rehab centers focus on providing people who exhibit drug abuse signs and symptoms with much-needed help.

See the following articles on related subjects:

Alfred W. McCoy, "Can Anyone Pacify the World’s Number One Narco-State? The Opium Wars in Afghanistan."

Peter Dale Scott, America’s Afghanistan: The National Security and a Heroin-Ravaged State

Peter Dale Scott, Martial Law, the Financial Bailout, and the Afghan and Iraq Wars

Jeremy Kuzmarov, American Police Training and Political Violence: From the Philippines Conquest to the Killing Fields of Afghanistan and Iraq

MK Bhadrakumar, Afghanistan, Iran and US-Russian Conflict

Peter Van Agtmael, All You Need is Heroin: U.S. Troops in Their Own Hand

Notes

1 Eventually the United States and its allies gave Hekmatyar, who for a time became arguably the world’s leading drug trafficker, more than $1 billion in armaments. This was more than any other CIA client has ever received, before or since.

2 Scott, The Road to 9/11, 74-75: “Khalid Shaikh Mohammed, said by the 911 Commission to have been the true author of the 9/11 plot, first conceived of it when he was with Abdul Sayyaf, a leader with whom bin Laden was still at odds [9/11 Commission Report, 145-50]. Meanwhile several of the men convicted of blowing up the World Trade Center in 1993, and the subsequent New York “day of terror” plot in 1995, had trained, fought with, or raised money for, Gulbuddin Hekmatyar. [Tim Weiner, “Blowback from the Afghan Battlefield,” New York Times, March 13, 1994].

3 Seymour Hersh, New Yorker, July 7, 2008


The alert reader will notice that even $3.4 billion is less than 53 percent of the $10 billion attributed in the previous paragraph to the total Afghan GDP. These estimates from diverse sources are not precise, and cannot be expected to jibe perfectly.


James Risen, “U.S. to Hunt Down Afghan Lords Tied to Taliban,” New York Times, August 10, 2009: “United States military commanders have told Congress that...only those [drug traffickers] providing support to the insurgency would be made targets.”


Cables from Mexico City FBI Legal Attaché Gordon McGinley to Justice Department, in Scott and Marshall, Cocaine Politics, 36.

Scott, Deep Politics, 105; quoting from San Diego Union, 3/26/82.


CBS News Transcripts, 60 MINUTES, November 21, 1993.

Wall Street Journal, November 22, 1996. I suspect that the CIA approved the import of cocaine less “as a way of gathering information” than as a way of affecting market share of the cocaine trade in the country of origin, Colombia. In the 1990s CIA and JSOC were involved in the elimination of Colombian drug pingpin Pablo Escobar, a feat achieved with the assistance of Colombia’s Cali Cartel and the AUC terrorist death squad of Carlos Castaño. Peter Dale Scott, Drugs, Oil, and War, 86-88.


22 The Bank of Boston laundered as much as $2 million from the trafficker Gennaro Angiulo, and eventually paid a fine of $500,000 (New York Times, February 22, 1985; Eduardo Varela-Cid, Hidden Fortunes: Drug Money, Cartels and the Elite Banks [Sunny Isles Beach, FL: El Cid Editor, 1999]). Cf. Asad Ismi, “The Canadian Connection: Drugs, Money Laundering and Canadian Banks,” Asadismi.ws: “Ninety-one percent of the $197 billion spent on cocaine in the U.S. stays there, and American banks launder $100 billion of drug money every year. Those identified as money laundering conduits include the Bank of Boston, Republic National Bank of New York, Landmark First National Bank, Great American Bank, People's Liberty Bank and Trust Co. of Kentucky, and Riggs National Bank of Washington. Citibank helped Raul Salinas (the brother of former Mexican president Carlos Salinas) move millions of dollars out of Mexico into secret Swiss bank accounts under false names.”


26 Truell and Gurwin, False Profits, 449.


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