

General Zia and his regime implicated in heroin traffic

by Uma Zykofsky

If the U.S. Congress approves the State Department proposal to give a \$3.2 billion package of military and economic aid to the Pakistani government of General Ziaul Haq, the United States may be on the verge of one of the biggest foreign policy scandals of recent years. Swept under the rug in Secretary of State Alexander Haig's and Undersecretary James Buckley's enthusiastic boosting of the mammoth arms deal is the fact that the U.S. government and international agencies are in possession of evidence implicating the Pakistani military junta in a major threat to American national security—the flood of “Golden Crescent” illegal narcotics into the United States and the nations of its NATO allies.

Zia's military rule has not merely coincided with Pakistan's becoming one of the biggest illegal heroin and opium exporters in the world, with a phenomenal increase in drug production and stockpiling over the past four years. Investigations conducted by *EIR* have turned up extensive evidence linking members of General Zia's inner military circle and his own family to the production and smuggling of Pakistani-grown narcotics.

The State Department's attitude toward these reports of Pakistani narcotics trafficking has been little short of bizarre. Mr. Buckley, responding to queries during the Sept. 15 hearings before the House Foreign Relations Committee, said that he was “concerned” about the reports. But not one official of the Drug Enforcement Administration has been called to testify before Congress on the aid package. Moreover, the State Department has been making an effort to show that the Pakistani situation is not comparable to the recent Bolivian drug scandal, where the Reagan administration set a policy precedent by cutting off aid to the former regime which had some of its top officials profiteering from the illegal cocaine trade.

The evidence shows, however, that the Bolivian comparison is right on target.

Over the past eight months, stories have periodically appeared in the press pointing out Pakistan's central

location in the “Golden Crescent” opium growing area (Iran, Pakistan, Afghanistan) that has come to compete with the Southeast Asian “Golden Triangle” for the most lucrative smuggling operations. Since 1977, when General Ziaul Haq came to power in a military coup d'état against the legally elected prime minister, the late Z. A. Bhutto, the junta has had top-down control over the police and administrative services. Thus, it is hardly credible to state that such an all-powerful regime has not been able to break the drug racket. Recently, a U.S. diplomat specializing in the problems of drug production in Pakistan corroborated this assessment when he told the *New York Times*, “Even if you concede that the Government can't do much in the tribal areas, there are still a lot of poppies being grown in places like Dir and Lower Swat, where the Government is in total control.”

The following recent accounts in the public domain implicate the junta- and military-run state organizations:

- Syndicated columnist Jack Anderson and investigators in his office reported that Pakistan International Airlines is a known carrier for illegal narcotics. Intelligence reports secured by Anderson revealed that “narcotics networks have become increasingly active with PIA.” He also reported that the State Department has known about this for several years—and has determined to look the other way. PIA is state-owned, and its chairman is retired General Rahim Khan.

- The Indian daily, *National Herald*, reported on April 26 that an International Narcotics Control Board official described the junta's enforcement practices as “too little and too remote.” The same article reported that in 1980 alone, “more than a dozen ships of the Pakistan Shipping Corporation were intercepted and found carrying drugs to the western countries.”

- As the accompanying article indicates, Pakistani diplomats have been put under heavy surveillance across Europe following repeated instances of army and air force people implicated in illegal-drug running.

In addition, *EIR* has uncovered three areas of investigation into Pakistani drug-running that have been

blackened out of other press and gagged by the supporters of General Zia. These include:

- General Zia's crackdown on the trade union of Pakistan International Airlines two months ago;
- General Ziaul Haq's links to the Canadian-based corporate front, Space Research (now known as Space Technologies), and the involvement of Bank of Credit and Commercial International founder, Agha Hassan Abedi, in this set-up;
- A smuggling scandal involving gifts Zia was to have carried with his delegation to the U.N. in 1980.

Pakistan International Airlines crackdown

Some eyebrows were raised when the PIA airplane hijacked from Pakistan to Kabul in April 1981 counted among its passengers three known international narcotics dealers. Not much media attention was given to this curious fact, since the spotlight was turned on implicating the late Z. A. Bhutto's sons with the hijackers.

Two months ago, PIA underwent a total reorganization under sudden orders from General Zia. Highly reliable sources in the Pakistani exile community report that thousands of PIA trade-union militants were rounded up because the union executive had resolved to expose the full scope of the drug running operations going on through PIA international flights, with the protection of high-ranking generals. The union had names of beneficiaries, ports of origin and destination, and documentation of the size of the operations. Press censorship of the roundup was so intense that the only story newspapers carried was Zia's version, which said that the purge was "to end union squabbling and stamp out corruption."

One law enforcement official who did not buy Zia's story pointed out certain changes in PIA which corroborate the union's findings. The PIA security branch, usually run by a police officer, was put under the authority of Brigadier Minto, a close associate of PIA chairman General Rahim Khan and of Zia himself. The job of director of administration—usually a civilian in the past—was handed to another brigadier, and army officers were stationed in every PIA office inside the country and abroad to identify troublemakers.

A writ on behalf of the PIA union has been filed with the International Labor Organization in Geneva.

"He who governs the Frontier Province, governs the drug trade," a knowledgeable insider in Pakistani affairs told *EIR*, and hypothesized that Gen. Rahim Khan was given the job as PIA chairman on the recommendation of Lt. Gen. Fazle Haq, the military governor and martial law administrator of the Northwest Frontier Province (NWFP). The NWFP and Baluchistan are the two opium and heroin producing areas in the country—and both have been under tough military rule.

Fazle Haq has particular significance in the drug

trade. One of his brothers, Fazle Hussein, has been wanted by Interpol in connection with several cases involving drug racketeering in Europe. According to Pakistani investigators, Hussein is a "history sheeter"—one with more than ten cases pending against him—which has led police to open a special investigation on his personal history. In Pakistani courts over the last few years, the following has been found:

- Fazle Hussein was involved in defrauding a German national and a Libyan ambassador when he purchased their homes in Pakistan. The police found substantial amounts of hashish in these houses after Hussein took possession.

- Several times in the 1976-80 period, Fazle Haq protected his brother and the family racket. The Karachi police compiled one case where Fazle Haq's cars were being used to transport hashish from the Baluchistan area to the port city of Karachi and in one instance, Hussein was stopped with the booty. Fazle Haq was believed to be in the accompanying car.

- The Kherpur district police department has information on how Fazle Haq secured international fake passports for Hussein's overseas operations.

One of the first moves by the military dictatorship after Ziaul Haq seized power in July 1977 was the quashing of an investigation underway in various police jurisdictions into Fazle Haq's brother's operations. Zia appointed Fazle Haq as both martial law administrator and then military governor to the drug producing NWFP state, *with the full knowledge that his family was involved in this illegal trade*. Fazle Haq subsequently hounded out of the country police officials involved in these investigations.

The friends of General Zia

Zia's personal involvement in illegal-drug operations has to be examined in the light of events preceding and during his 1980 visit to the United Nations as a spokesman for the Islamic nations. The London-based Pakistani newspaper, *Mussawat*, in its Sept. 14, 1981 issue, reported on its investigations into Zia and his family during that period. According to *Mussawat*, Zia had planned to carry several marble lamps with him as gifts for the Western heads of state he expected to meet.

Through a series of misunderstandings and mishaps in planning, the lamps remained behind in Islamabad airport as Zia's itinerary changed and he went through Iran and Iraq before arriving in New York. Pakistani officials of the Federal Investigation Agency took possession of the marble lamps and found them stuffed with heroin. Several arrests were made and a Captain Qamar, aide-de-camp to Zia and known as the General's "adopted son," was implicated in the case.

But after Zia returned from his overseas trip, the full weight of the martial law administrator's office was

used to keep Qamar's name out of the press and investigation, even though he was the person in charge of the purchase and delivery of the marble lamps. Many of those arrested were released, and big smugglers implicated in the case were allowed to flee the country. One of the smugglers was Rana Abdus Sattar, a relative of the late Pakistani ambassador to Great Britain, F. R. Khan. Sattar, according to London sources, has been involved in drug smuggling using the diplomatic pouch in Europe.

In October 1980, it also came to light for the first time that General Zia had a great deal of interest in the activities of a Canadian-based corporation named Space Research, which underwent a sudden reorganization following the conviction of some of its officials in illegal arms trafficking in a Vermont court earlier in 1980. The new head of what became Space Technologies, an Egyptian-Moroccan businessman and real estate dealer named Saad Gabr, is known to be a close friend of General Zia. Another key operative for Space Research-Space Technologies is Agha Hassan Abedi, a Pakistani banker based in London and the Gulf states who heads the Bank of Credit and Commerce International.

Gabr, the head of a firm that has been under investigation for funneling weapons to governments illegally, by-passing the U.S. Military Assistance Act, is a frequent visitor to Pakistan. Within Gabr's international operations is one Gen. Chisti, the former military governor of Punjab province in Pakistan, and reportedly Zia's intermediary to Gabr.

Agha Hassan Abedi, another Gabr associate, is known in Pakistan as the "unofficial" finance minister. He is the founder of the Persian Gulf-based Bank of Credit and Commerce International (BCCI), and was named by the late Z.A. Bhutto as one of the people instrumental in provoking the capital flight and currency destabilization that led to Bhutto's overthrow.

In the recent period Abedi has become the generals' banker. Zia's son Ijaz ul Haq was given a job by Abedi even though Ijaz has no qualifications in the banking field. Ijaz ul Haq is married to the daughter of General Rahimuddin, the military governor of the other big drug-growing province, Baluchistan.

Through this "inside" channel, BCCI was permitted to open several offices inside Pakistan and is securing various types of investments for the military. For instance, several generals are reported by informed sources to be involved in real estate purchases in Europe, particularly in Spain, and in the United States, mostly in California. Drug enforcement specialists report that any money from illegal drugs could not be deposited back into the generals' accounts inside Pakistan, where their earnings are limited by law. A common practice has been to use third persons to purchase land on their behalf.

Documentation

Zia's Pakistan: gateway to opium center

by Marilyn James

Since 1977, Pakistani President Ziaul Haq's pleas for U.S. aid have been accompanied by pledges to crack down on illegal drugs. Under the four years of Zia's rule, Pakistan has played a leading role in the re-emergence of Southwest Asia's Golden Crescent opium cultivation belt; is rapidly establishing itself as a morphine and heroin refining center; and is a major exporter of illegal drugs for the entire region.

The Golden Crescent consists of the opium-cultivation belt that stretches from Pakistan and Afghanistan through the northwestern section of Iran. It began a marked expansion in opium cultivation with its 1977 harvest and steadily increased its output until the record-breaking harvest of 1979, when an estimated 1,600 metric tons of opium were produced.

Western Europe has been the primary target of Golden Crescent heroin, in particular West Germany, France, and Italy. On April 8, Joseph Linnemann, acting assistant secretary of the State Department's Bureau of International Narcotics Matters (INM), testified before the House Subcommittee on Foreign Operations that the heroin from the Crescent "fueled an addiction epidemic of unprecedented proportions" in Western Europe and "has the potential for affecting our armed forces." Beginning in 1977, our European allies—noting the revival of the French Connection—warned that once their populations were saturated with Southwest Asian heroin, the traffickers would turn their full attention to the lucrative markets in the United States.

The Carter administration took no action other than to increase aid to Pakistan based on Zia's promises of a major drug crackdown. It is now clear that the United States is in the throes of yet another major heroin epidemic, a crisis brought about by the influx of heroin from the Crescent.

The 1979 bumper crop of poppies marked the high point in the region's opium cultivation. The U.S. Drug Enforcement Administration (DEA) estimated that Pakistan's contribution to that record-breaking opium harvest was 700 metric tons; since then cultivation in Paki-