

A fresh approach to probing the Contra drug connection

by Jeffrey Steinberg

Every effort to date by the Congress and the Department of Justice to either prove or disprove the involvement of the Nicaraguan Contras in the Caribbean Basin narcotics trade, has been characterized by the identical methodological flaw. By starting from specific, discrete incidents of drug and/or weapons trafficking, and then tracing the proverbial footprints from the scene of the crime, the *Congressional Record* and the files of various U.S. Attorneys and federal grand juries have been loaded down with detailed evidence that has spread more confusion than clarity, and turned the entire issue into a political football, in broad terms pitting the Kennedy machine in Congress against the Reagan White House.

Thus the 1986-87 revelations of Contra use of known cocaine pilots from Colombia's Medellín Cartel to run guns into Contra base camps in Costa Rica, was used as a counterweight to earlier revelations by the Reagan administration, showing top officials of the Sandinista government in Nicaragua, including Deputy Interior Minister Federico Vaughn, involved with the same cocaine mafia in transshipping narcotics into the United States.

To the extent that this kind of partisan political warfare takes precedence over a concerted anti-drug effort, the only victors are the traffickers.

Therefore, a fresh approach must be adopted, to get beyond both the Sherlock Holmes and overly politicized methods that have characterized all the probes to date. The model for this fresh approach is that method adopted by *EIR* in its 1986 profile of the worldwide drug trade, *Dope, Inc.: Soviet Commissars and Boston Bankers*. The starting point, rather than the discrete incidents of drugs-and-guns trafficking, is the identification of cardinal principles of how the drug trade operates on a global scale. Those principles define a framework for efficiently evaluating any particular event under investigation.

The Soviet role in narco-terrorism

Over the past year, impressive new evidence has been

publicly released, largely drawn from the testimony of high-level Soviet bloc defectors, proving that the Warsaw Pact intelligence services, since no later than 1962, have been playing an increasingly dominant role in the international drug trade and its associated narco-terrorist insurgency. This evidence converges on the conclusion that the international drug trade is a principal feature of Soviet irregular warfare against the West.

According to Col. Jan Sejna, former secretary of the Czechoslovak Defense Council, who defected to the West in 1968, Soviet General Secretary Nikita Khrushchov, in 1962, ordered all the Warsaw Pact intelligence services to become involved in narcotics trafficking, as a means of accelerating the cultural collapse of "Western bourgeois society." Khrushchov cited Mao Zedong's effective spreading of opium addiction among American troops during the Korean War, as a model to be followed by Warsaw Pact secret services. Toward this end, in 1962, Czech intelligence officers, operating on behalf of the Soviet KGB, established a special intelligence apparatus inside Cuba, at the invitation of Defense Minister Raúl Castro. That special unit, made up largely of Cuban DGI (General Directorate of Intelligence) agents and indigenous Castro operatives in every country in Ibero-America, was initially assigned to develop in-depth dossiers on corrupt police, military officials, politicians, and business and labor leaders in every country in the Western Hemisphere, including individuals already involved in the narcotics business.

These blackmail files were to be used to control a vast network of individuals—the majority of whom were not "ideologically" committed to the Soviet or Castro brand of revolution—as part of the overall build-up of Ibero-America's vast marijuana and cocaine empire beginning in the late 1960s. Moscow's operating hypothesis in this effort, was that the spread of the drug trade would broaden the base of corrupt individuals in the West, many of whom would never realize that their accrual of vast personal fortunes, derived

from drug smuggling and weapons smuggling, was ultimately serving Soviet state policy.

Within this overall effort, Cuban intelligence agents, particularly in the wake of the Bay of Pigs fiasco, concentrated heavily on penetrating and establishing deep hooks into the very anti-Castro exile networks that were later integrated into the Nicaraguan Contra program. This element of the program was modeled on the 1917-28 Soviet "Trust A" operation, in which Cheka agents virtually took over the anti-Bolshevik Russian opposition in exile.

The emergence of narco-terrorism

Between 1967-82, according to eyewitness testimony and published Soviet accounts, Moscow's terrorist and guerrilla forces in Ibero-America were thoroughly retooled and integrated into the mushrooming drug trade. Today, no serious terrorist threat exists anywhere in the world, and particularly in Ibero-America, that is not narco-terrorist—an integrated component of the drug trade.

Even the most cursory survey of the long-term social impact of the drug trade on American and European culture draws the obvious answer to the question, "*cui bono?*" The fact that the overwhelming majority of individuals involved in Ibero-American drug trafficking are not directly Soviet or Soviet surrogate agents (with the glaring exception of the communist guerrilla groups now integrated into the traffic) does not refute the charge of Soviet control of the drug trade and narco-terrorism as a form of irregular warfare. On the contrary, it demonstrates the extent to which the Soviets have adopted sophisticated methods of irregular warfare that go well beyond any "Marxist-Leninist" dogmas.

Apart from the direct issue of Soviet and Cuban double agents infiltrated into the leading strata of the Nicaraguan Contra force, there are three principal starting points for assessing the Contra role within the Ibero-American drug business: the Israeli connection; the dope links of multinational corporations, starting with United Fruit; and the "rogue" intelligence operations which began in Asia and now reach to the Caribbean. These three elements each in turn has to be individually evaluated vis-à-vis levels of witting complicity in Soviet irregular warfare within the region.

Meyer Lansky and the Israeli mafia

Senior U.S. intelligence analysts have emphasized to *EIR* investigators that one of the key features of the present Contra leadership structure involves the historical ties between the state of Israel and the old Somoza regime in Nicaragua.

According to author William Slater (*The Pledge*), during Israel's war for independence in the immediate post-World War II period, American gangster Meyer Lansky played a prominent role in facilitating the smuggling of enormous volumes of arms and other military equipment to the Haganah underground in Palestine. Lansky drew upon his preexisting vast infrastructure of arms and drug smugglers throughout

the Caribbean region, and, in effect, integrated those criminal elements into the Haganah's international support structure. Lansky's involvement with what was known at the time as the Sonneborn Institute, named after Baltimore chemical magnate Max Sonneborn, became a model for subsequent operations up to and including the Nicaraguan Contra support program run out of the office of Lt. Col. Oliver North at the National Security Council.

During the war in Palestine, a Lansky agent named Yehudeh Arazi was given full diplomatic status by Nicaraguan chief of state Anastasio Somoza. Arazi's mission was to purchase arms for the Haganah in Eastern Europe, under the pretext that he was making the purchases for the Nicaraguan National Guard. Arazi's immediate supervisor in this late 1940s global smuggling program was Al Schwimmer—the same Schwimmer who featured prominently in the Iran-Contra arms diversion scheme.

U.S. intelligence sources familiar with the Nicaraguan Contra program report that many of the leading figures in United Nicaraguan Opposition were part of the Lansky-Israeli lobby inside Somoza's Nicaragua. Following Israeli independence, both the Lansky apparatus and the emerging Mossad secret intelligence agency repaid their debts to the Somoza regime by providing Israeli weapons and expert training to the National Guard—right up to the final moments of the regime. (Years before, however, Israeli arms merchants associated with then-Defense Minister Ariel Sharon had also taken up the Sandinista cause, providing millions of dollars in arms to the insurgents.)

By 1982, Sharon was making regular pilgrimages to Central America, installing arms dealers such as David Marcus Katz and Pesach Ben-Or in lavish offices in Mexico City, Guatemala City, San Salvador, etc., to service the civil wars spreading throughout Central America and soon to center around the Contra program.

Does the Lansky-Sharon track intersect Soviet irregular warfare capabilities? Most definitely. Among the individuals most frequently cited as the logical successor to the late mob financial wizard is Robert Vesco, the fugitive financier who has currently taken up residence in Castro's Havana. Vesco provides a bridge between the Colombia Medellín cocaine cartel and the Contra support apparatus of Gen. Richard Secord, Albert Hakim, et al. CSF, the Geneva financial management company that handled all of the secret Swiss bank accounts for Oliver North's "Project Democracy" throughout the Iran-Contra debacle, was founded in 1970 by Robert Vesco as a money-laundering channel for the looting of Investors Overseas Service (IOS).

Vesco's original money manager at CSF, Willard Zucker, a Swiss partner in the American law firm of Willkie, Farr, and Gallagher, remained with CSF even after Vesco's flight from a U.S. indictment and his later appearance as Castro's personal guest in Havana. It is widely believed that the vast majority of the money that Vesco "stole" from IOS was

Lansky narcotics proceeds, and that the funds were merely laundered into the Caribbean to provide the seed money for launching big-time marijuana and cocaine production in Ibero-America.

'Banana republic' diplomacy

In 1978, when the staff of *EIR* was conducting the original investigative work leading to the publication of the first edition of *Dope, Inc.*, officials of the Drug Enforcement Administration reported that an estimated 20% of the illicit drugs entering the United States every year from Ibero-America were coming in aboard ships owned by the United Brands Company, formerly United Fruit. In fact, the official history of the company that invented the term "banana republic," through its notorious feudal control over the economies of Central American nations, reveals that at the end of the 19th century, a combination of Boston financial interests tied to the original clipper ship opium trade (in partnership with the British East India Company), and a collection of New Orleans agents of Italian mafia founder Giuseppe Mazzini, joined forces to found the original United Fruit Company.

In more recent years, other companies, including W.R. Grace Shipping Lines, Coca-Cola, Exxon, Pepsi Cola, and Gulf and Western, have assumed similar positions of near-dominance over the economic and social lives of whole nations of the Caribbean/Central American region. Thus, Contra leaders like Adolfo Calero, a former official of Coca Cola in Managua, already had long experience in U.S. multinational-housed covert activities even prior to the sudden emergence of the United Nations Organization.

From Golden Triangle to Medellín

A former member of President Reagan's Foreign Intelligence Advisory Board (PFIAB), H. Ross Perot, has recently conducted a one-man assault on a network of "former" U.S. intelligence operatives whom he claims are up to their eyeballs in the Caribbean drug trade, in conjunction with the Contras. Among the primary targets of Perot's charges are: Theodore G. Shackley, former Deputy Director of Operations of the CIA; Thomas Clines, a close CIA associate of Shackley dating back to the early 1960s "secret war" in Laos and a major figure in the Iran-Contra apparatus; and Richard Armitage, a top Defense Department official and member of the covert operations planning group, the 208 Committee. According to a recent interview conducted with Burmese opium warlord Khun Sa, these U.S. intelligence operatives were major customers of the Golden Triangle opium trafficker, utilizing the American logistics infrastructure of the Vietnam War to realize vast profits from opium sales, much of which went to the financing of the "secret wars."

All three men were intimately involved in the original U.S. arms deals with Khomeini and with the subsequent build-up of the Contra infrastructure. Shackley, in a late 1970s book, *The Third Option*, and again in a December

1980 speech at a conference of Roy Godson's Consortium for the Study of Intelligence, spelled out a plan for the establishment of a logistical apparatus for conducting "partisan" operations, modeled on his own efforts, first in Cuba, where he was a leading figure in the Bay of Pigs disaster, and subsequently in Laos.

DEA sources, among others, have told *EIR* that a great deal can be learned of the involvement of corrupted former U.S. intelligence circles in the Medellín cocaine cartel through a careful review of the case of Harold Rosenthal, a convicted big-time cocaine dealer who claimed that he entered the drug business as part of an effort to penetrate Soviet-backed guerrilla networks in Colombia. Rosenthal, a former Atlanta bail bondsman, set up a string of private airlines, landing strips, and drug distribution networks between the late 1970s and his arrest in Bogota in 1983. His installations cover the entire Eastern seaboard of the United States.

To this day, according to DEA sources, major cocaine conspiracy cases are being prosecuted on the basis of the evidence gathered through the conviction of Rosenthal. These sources suggest that the Rosenthal case intersects the activities of the Shackley-Clines group, particularly through the intersection of Rosenthal's string of private airlines with the Southern Air Transport, a major carrier for both Iranian and Contra arms shipments.

Another area of critical importance in the overall Contra drug probe, is the involvement of Thomas Clines in the establishment of direct arms purchasing channels into the Soviet bloc. According to documents made public during the congressional Iran-Contra hearings, Clines, through a Syrian based narcotics trafficker, arranged for the direct purchase of at least one shipload of East bloc weapons in Poland. Those arms were delivered to the Contras in Honduras, through a thinly disguised set of phony end-user certificates. The ship on which those weapons were carried, the *Erria*, was the sister ship of the *Pia Vesta*, which was seized by the Panamanian Defense Forces in 1985 while carrying another shipload of East bloc weapons, these originating in the East German port of Rostock, bound for delivery to the Contras as well.

For a real war on drugs

Pivotal to a new approach to cracking the Contra cocaine connection, is the operational issue of the United States, in collaboration with the other sovereign states of the hemisphere, launching an effective military war on drugs. In March 1985, Lyndon LaRouche, Jr. issued a detailed proposal in Mexico City for such a continent-wide war on drugs. That proposal spelled out a structure of intelligence sharing and joint military operations aimed at wiping out the drug plague and, in so doing, defeating Moscow's irregular warfare program in the hemisphere. Ultimately, this approach poses the only efficient means for getting to the bottom of the specific role of the Contras in the overall narco-terrorist structure.