

Coverup begins to crack on Bush cocaine ring

by Edward Spannaus

In the days leading up to a three-hour Senate hearing on the "CIA" crack-cocaine allegations, the leading establishment news media in the United States launched a frantic effort to discredit the *San Jose Mercury News* story, which had triggered the current national uproar over the U.S. government's role in drug-trafficking.

The CIA is not the beneficiary of the coverup sought by the news media. The CIA has little to fear, should it be the primary target. The purpose of the coverup is to protect George Bush and his "secret government" killer apparatus, which was consolidated in the early 1980s using Executive Order 12333.

Nevertheless—and perhaps despite the intent of its organizers—testimony at the Senate hearing on Oct. 23 took matters well beyond the CIA, pointing to the White House/National Security Council operation which Oliver North has come to symbolize. While this gets the investigation out of the dead end of scapegoating the CIA, it does not yet hit the nail smack on the head by identifying the real command structure which ran the 1980s guns-for-drugs operation.

Discredit where credit is due

The *Los Angeles Times*, which had been generally silent since the publication of the *San Jose Mercury News* series, initiated a three-part series on October 20 attempting to discredit the *Mercury News* stories. The first part opens, "The crack epidemic in Los Angeles followed no blueprint or master plan. It was not orchestrated by the Contras or the CIA or any single drug ring. No one trafficker, even the kingpins who sold thousands of kilos and pocketed millions of dollars, ever came close to monopolizing the trade."

The *Los Angeles Times*'s line of argument was very similar to the "analysis" published Oct. 4 by the *Washington Post*, in which the *Post* conceded that, yes, there were Contras

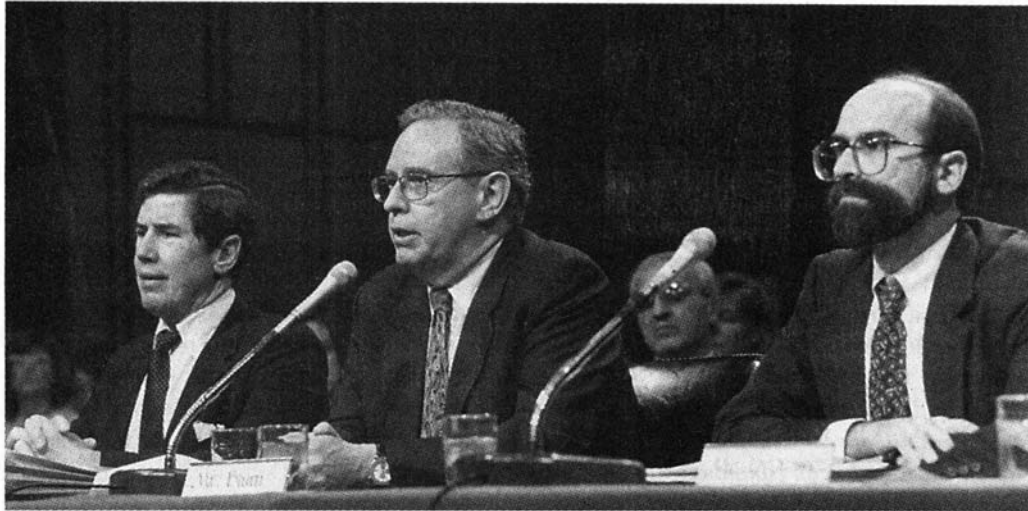
smuggling drugs, and, yes, the CIA was involved with some of them, but "Freeway" Ricky Ross didn't sell *that* much crack, and, hey, what's a little drugs in the African-American community anyway?

The *Los Angeles Times*'s third installment was an outright racist diatribe against the black community, quoting quackademic scholarship to prove that African-Americans "are particularly susceptible to conspiracy theories." *Washington Post* columnist Richard Cohen, who is linked to the Anti-Defamation League of B'nai B'rith (ADL), spewed out a typically racist piece of venom on Oct. 24, attacking Rep. Maxine Waters (D-Calif.), because she "virtually accepted the *Mercury News* story as gospel and demanded investigations. . . . When it comes to sheer gullibility—or is it mere political opportunism—Waters is in a class of her own."

On Oct. 21, the *New York Times* also weighed in with an article with the headline, "With Little Evidence to Back It, Tale of CIA-Drug Link Has Life of Its Own." The article is replete with references to "scant evidence," and makes strenuous efforts to ridicule the black community for being so susceptible to such wild conspiracy theories.

Break the coverup!

At the Senate Intelligence Committee hearing on Oct. 23, the lead-off witness was Jack Blum, former special counsel to the Sen. John Kerry (D-Mass.) subcommittee of the Senate Foreign Relations Committee, who, in 1986-88, conducted the most thorough investigation of Contra drug-running to date. While Intelligence Committee Chairman Arlen Specter (R-Pa.) tried to narrow the focus of his hearing to the crack epidemic in Los Angeles and the CIA itself, Blum emphasized that the responsibility for drugs coming into the country should be put on the "policymakers," and that the CIA was just an "implementing agency." Blum's testimony, as well as



The Oct. 23 hearing of the Senate Select Intelligence Committee. On the witness stand are, left to right: Frederick Hitz, CIA Inspector General; Jack Blum, former Special Council to the Senate Foreign Relations Committee, Subcommittee on Terrorism, Narcotics, and International Operations; and Michael Bromwich, Justice Department Inspector General.

that of Justice Department Inspector General Michael Bromwich, focussed heavily on the White House/NSC operation around Ollie North (who was emphatically *not* an official of the CIA).

Blum's remarks point in the right direction, but that is not sufficient. If any investigation of Contra drug-running is to break the fog of obfuscation which has been firmly in place since the mid-1980s, it must expose the official structure under which these and other covert operations were run in the 1981-92 period. That structure was created under the implied authority of Executive Order 12333 and certain National Security Decision Directives (NSDDs) which accompanied it, and it was built around the office and the person of George Herbert Walker Bush.

To ignore this, in favor of hitting the "easier" or "more acceptable" target, the CIA, is to be complicit in perpetuating the coverup which has allowed so much death and destruction to go unpunished to date.

How the 12333 'secret government' worked

EIR has compiled the most comprehensive picture of how the "secret government" apparatus of the 1980s was created, and has shown that it functioned under the direct control of Vice President George Bush, operating through the NSC—and not the CIA (see *EIR Special Reports*, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush," September 1996, and "George Bush and the 12333 Serial Murder Ring," October 1996). Following is a summary adapted from the two *EIR Special Reports*.

"Crisis management" is the key to understanding how George Bush became the covert operations "tsar" of the Reagan administration. Step by step, it worked like this:

1. In the early months of the Reagan-Bush administration in 1981, there was a brawl between George Bush and Secretary of State Al "I'm-in-charge-here" Haig over the control of crisis management. On March 22, 1981, a leak to the *Washington Post*, headlined "Bush to Head Crisis Management,"

said that Vice President Bush would be placed in charge of a new crisis management structure, amounting to "an unprecedented role for a vice president." Haig protested, but Bush won out. The article noted that Bush "was chosen to chair meetings in the Situation Room in times of crisis," although it also noted that the Presidential directive formalizing this had not yet been written. This was a reference to the Special Situation Group (SSG), the status of which was only formalized in December of that year.

2. On Dec. 4, 1981, President Reagan signed Executive Order 12333, which designated the NSC as "the highest Executive branch entity" for review, guidance, and direction of *all* foreign intelligence, counterintelligence, and "special activities" (i.e., covert operations). This effectively put the NSC in charge of the CIA, military intelligence, special operations, etc. A little-noticed provision of E.O. 12333 gave the CIA the exclusive conduct of "special activities," "unless the President determines that another agency is more likely to achieve a particular objective." This officially opened the door for assigning covert operations to the NSC staff.

Most important, Section 2.7 of E.O. 12333 permitted U.S. intelligence agencies to enter into secret contracts for services with "private companies or institutions." This was the Magna Carta of Bush's "secret government."

3. On Jan. 12, 1982, National Security Decision Directive Number 2 (NSDD-2) was issued, which formalized the NSC structure. It confirmed the existence of a series of Senior Inter-agency Groups (SIGs) for foreign policy, defense policy, and intelligence—thus reducing the power of the secretary of state and other department heads.

4. A month earlier, on Dec. 14, 1981, NSDD-3 had *already* been signed. Entitled "Crisis Management," it affirmed the existence of the Special Situation Group (SSG) to be "chaired by the vice president," and assigned to the SSG responsibility for crisis management. "Crisis Management" was defined as encompassing "a national security matter for which Presidential decisions and implementing instructions

'Bill Weld blocked our investigation'

Below are excerpts from the Oct. 23 hearings of the Senate Intelligence Committee, chaired by Arlen Specter (R-Pa.), during the testimony of Jack Blum, formerly the special counsel to the 1986-88 Senate Foreign Relations subcommittee on terrorism and narcotics (the "Kerry Committee"). Blum's references are to William F. Weld, who was at the time the U.S. Assistant Attorney General. Weld, governor of Massachusetts, is now the Republican candidate for U.S. Senate, against incumbent Democrat John Kerry, who chaired the Kerry Committee.

Mr. Blum: Now, you might ask, why did the hearings we ran in '88 and the report we released in 1989 not get more attention? And the answer is, we were subject to a systematic campaign to discredit everything we did. Every night after there was a public hearing, Justice Department people, administration people would get on the phone and call the press and say the witnesses were all liars, they were talking to us to get a better deal, that we were on a political vendetta, that none of it was to be believed, and please don't cover it.

Senator Specter: But let me ask you, on a question relevant here, did you ever see any of that interference by U.S. intelligence, CIA or otherwise, of any prosecutions against cocaine in Los Angeles?

Mr. Blum: We did not focus on Los Angeles and Los Angeles prosecutions. I can tell you there were cases in Miami, and there were other cases in other parts of the

country.

Senator Specter: Now did those cases permit cocaine dealers to continue to operate?

Mr. Blum: One had the sense they did, but—when we got into this area, we confronted an absolute stone wall. Bill Weld, who was then the head of the [Justice Department] Criminal Division, put a very serious block on any effort we made to get information. There were stalls. There were refusals to talk to us, refusals to turn over data. An Assistant U.S. attorney who gave us some information was reprimanded and disciplined, even though it had nothing to do with the case. . . . We had a series of situations where Justice Department people were told that if they told us anything about what was going on, they would be subject to very severe discipline.

Sen. Bob Kerrey (D-Neb.): Mr. Blum, when you talked to me, you said there was a systematic effort to discredit the work of the subcommittee. . . . How would you define "systematic"?

Mr. Blum: An organized effort from the top—

Senator Kerrey: Who was in charge of it?

Mr. Blum: As best I could tell, it was coming from the top of the Criminal Division.

Senator Kerrey: Who was at the top of the Criminal Division?

Mr. Blum: Bill Weld.

Senator Kerrey: And when you say, the effort was made, what would they do? Would they call—

Mr. Blum: They would tell U.S. Attorneys, systematically: "You can't talk to them. Don't give them paper. Don't cooperate. Don't let them have access to people who you have in your control." And we had a very tough time finding things out.

are required more rapidly than routine interdepartmental NSC staff support provides." This formalized George Bush's control over intelligence and covert operations.

5. On May 14, 1982, the first phase of the Bush takeover was completed, with the issuance of an extraordinary memorandum entitled "Crisis Pre-Planning," by the national security adviser. Citing the authority of NSDD-3, this memorandum established an interagency, standing Crisis Pre-Planning Group (CPPG) subordinate to the SSG. The CPPG was created as a *standing* body, which would meet regularly, and develop plans and policies for the SSG. The SSG-CPPG, under the direct control of the vice president, was given control over *any* area in which a *potential* crisis could emerge, and was to develop *preemptive policy options* for dealing with it. "Crisis management" was no longer just for crises.

This SSG-CPPG structure, according to a chart later thrown at Secretary of State George Shultz in 1983, operated

on the same level as the National Security Council, and was *above* the secretary of state. In reality, it superseded the NSC.

Shultz vigorously opposed the creation of a "Public Diplomacy" unit in the State Department which would report to the NSC instead of him. He asked Reagan for a structure in which he would be the President's "sole delegate in carrying out your policies." What he got back was a memorandum in the name of the President which stated: "Success in Central America will require the cooperative effort of several Departments and agencies. No single agency can do it alone nor should it." Attached was the chart entitled "NSDD-2 Structure for Central America" putting Bush's SSG-CPPG on the level of the NSC, in between the President and the secretary of state.

This is how, during the Reagan administration, intelligence and foreign policy "crisis management" was consolidated under the operational control of the Vice President of the United States, George Bush.