

Tells the Facts and Names the Names

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Caveat Emptor

"Loathsomely bureaucratic, we camouflage our mediocrity and insufficiency by hiding behind absurdly inflated classifications...If the American people ever learned how much slop and drivel is disguised by imposing classifications and caveats, they would have our heads — and we would deserve our fates."

— US Army Maj. Ralph Peters, Office of the Deputy Chief of Staff for Intelligence, 1995.

Free Trade Narco-Traffickers

How much money from narco-traffickers in Italy, Colombia, Venezuela and Mexico is being sluiced into the United States to bribe government officials and national policy-making? The question is moot. A Mexican newspaper, cited below, suggests at least half a billion dollars a year. But it is incontestable that the environmental and free trade policies of President Clinton have been of immense value to the drug smuggling cartels based in these countries and to the governments complicit in such traffic.

One element in this astounding saga came into unusually sharp focus in April. The US State Department's specialist on international fishing disputes, David Colson, a protégé of John Negroponte (the former US envoy in Mexico and Central America), issued a statement late that month raging against a ruling by Judge Thomas Aquilino Jr., of the US Court of International Trade. Aquilino had sharply reprimanded the Clinton administration for failing to press sanctions against Italy, whose fishing fleets had brazenly violated the world-wide ban against drift net fishing.

This method of fishing involves setting 20-mile free-floating nets in which enormous hauls of marine species are trapped. In the case Judge Aquilino was examining, only 18 percent of the haul took the form of the target fish, swordfish and tuna. The rest was "by-catch", dolphins, small whales, shark and sea-turtles.

The UN banned this method of fishing in 1988 and in 1990 the US government passed a law imposing an embargo on any country willfully violating the ban. In 1995 environmental groups led by Earth Island sued the Clinton administration, the State and Commerce Departments for failing to uphold this law.

As he reviewed the evidence, Judge Aquilino was particularly incensed by ca-

ble traffic — some 600 messages in all — from the State Department to the Italian government reassuring the Italians that despite their flouting of international law, the Clinton administration would not impose any penalties.

Unperturbed by Judge Aquilino's criticisms, Colson reiterated government policy: there would be no embargo forthcoming, because "this drift net fishery is different than any other in the world because all 600 boats are controlled by the Mafia, and the Italian government cannot possibly bring them under control. The Italian government has done the best it can do."

Seldom can a remark by the State Department's Office of Oceans and International Fisheries have begged more questions.

The Italian Mafia controls the Italian fishing business. Its boats and the canneries associated with them are the prime conduit for drug smuggling from Palermo and other Italian ports to the rest of Europe and the US. Colson's claim that the Italian fishing fleet is somehow different is ludicrous. Abundant investigations by the US Drug Enforcement Agency and US Customs Service have disclosed how fishing fleets and canneries south from Mexico, through Costa Rica, to Venezuela, Colombia and Peru have been deeply involved in drug smuggling.

Indeed the link between the Italian Mafia and Latin American fishing fleet-cum-drug operations goes beyond collective involvement in the same industry. As US drug authorities well know, the Sicilians set up a heroin/cocaine operation in Caracas in 1978, going into partnership with the Medellin cartel for shipments to Europe. The Sicilian Contreras brothers bought up cattle ranches and sawmills in Venezuela and put together a tuna fishing fleet and canneries. All of this inform-

(continues)

At Last! A Magazine For Companies That Staple Dogs

These are tough times for America's corporations whose executives lament that they can't pay themselves multimillion dollar salaries or employ child labor in the Third World without creating a pr nightmare. So what's a company flack to do when the public and the media "come pounding on your client's door waving affidavits and copies of lawsuits, or holding press conferences denouncing their actions or products"?

The answer: *The Activist Reporter*, a new publication that promises to keep companies informed of pending "attacks by special interest groups" including environmentalists, shareholder "gadflies" and consumer safety advocates. Among the subscribers to the *Reporter*, which costs \$195 for 12 monthly issues, are Coors Brewing Company, General Motors, Hewlett-Packard, Louisiana-Pacific, McDonald's and Raytheon.

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A promo piece for the magazine warns that "when a crisis hits, there are precious few moments in which to prepare. Make the most of that time by having the information you need at your fingertips." Current threats to Corporate America include "powerful environmental groups" accusing Boise-Cascade, Mitsubishi and Texaco of rainforest destruction; animal-rights advocates attacking the United States Surgical Corporation; and women's groups and minority activists speaking up against Denny's restaurants and Publix supermarkets "for their hiring practices, promotional policies and customer treatment".

Needless to say, these companies are guilty as charged. Denny's recently settled claims stemming from instances where African Americans were told to pay before eating, denied advertised specials and informed that the restaurant was closed when the doors were later opened to white customers. Florida-based Publix is the target of a class-action suit by female employees passed over for promotions and paid less than men. One worker, Melodee Shores, says she was told to "lose weight and put on make-up" if she wanted to be considered for a management position. United States Surgical faced boycotts over its policy of stapling live dogs, a threat company owner Leon Hirsch responded to by hiring spies to infiltrate an animal rights group.

No matter. With *The Activist Reporter*, subscribers get "concise reviews of a wide range of successful and failed public relations moves, strategies and crisis plans, allowing you to formulate your own play-book of preplanned actions".

The Activist Reporter promises further advances in the essential pr function of crisis management. A classic case came with the 1984 disaster in Bhopal, India when a release of poison gas from a Union Carbide plant killed 2,153 people. According to *Public Relations, Strategies and Tactics*, a textbook for college courses on the subject, "Union Carbide was able to generate a level of public respect in the days immediately following

the disaster by implementing a crisis communication plan that portrayed genuine company concerns for the victims. Corporation chairman Warren M. Anderson flew to India within hours of the accident...Reporters were impressed with his open manner and found him believable when he said the disaster was Union Carbide's highest priority."

Anderson's dash to India turned out not to have been a spontaneous gesture but the result of earnest confabulation within the massed ranks of pr men at Burson-Marsteller, the advisor to Union Carbide in its hour of crisis. After careful calculation, they decided to dispatch Anderson to India, where he was immediately arrested on arrival. This, according to Jim Lindheim, a senior executive at Burson-Marsteller, was a "positive development", since the chairman's travails demonstrated that the "company was reaching out". In addition, "it was also helpful that it happened in India. It distanced it. People have this image of flaky Indians. It isn't really true, of course, but, you know, teeming masses..." ■

He-e-e-re's Babylon

Washington Babylon, our new book that intimately details the corruption of the political establishment — in bipartisan fashion, we savage Republicans and Democrats alike — has just hit the bookstores. We're offering *Washington Babylon* to CounterPunch subscribers for \$16.40 (includes postage), a discount of 20 percent. We expect our shipment of books to arrive by May 15, at which point we will fill orders immediately.

Our Seattle readers can hear Alexander Cockburn talk about the book at an event organized by the University of Washington bookstore on May 17. Ken Silverstein will be appearing at Vertigo Books in Washington, DC at 6 p.m. on the same day.

The Scourge of Corruption Leiken's New Scam

Robert Leiken has once again reared his unsightly head. His fresh scam is New Moment Inc., a self-proclaimed "non-profit organization working on international democracy issues", but in plainer English a hot-air factory propped up with foundation dollars. Last month Leiken published an article on *The Washington Post* op-ed page, "An End to Corruption", in which he hailed "the repudiation of bribery and kickbacks by [Third World] societies that once tolerated them" and announced that "today's decisive battles for democracy and development may be fought on the terrain of corrupt practices".

The birth moment of Leiken's outfit was a conference of Latin American "cultural leaders" he helped organize, with money from the United States Information Agency, just before the 1994 Summit of the Americas in Miami. A collection of essays Leiken edited about the gathering, *A New Moment in the Americas*, excitedly recalled the conference's main dinner, hosted by Al Gore, where "to the astonishment of the participants, Gore organized the chairs, in encounter group style, in tight circles in the living room". If the assembled leaders were truly astonished at the sight of Al Gore arranging chairs, contemporary culture is in even worse hands than we thought.

Even the normally demure *Foreign Affairs* found Leiken's book intolerable. Kenneth Maxwell, who reviewed the collection, derided it as "an embarrassment to its participants", whose unlucky ranks included Seymour Martin Lipset, Jean Bethke Elshaint, Stanley Crouch and Todd Gitlin. "What a [conference] of self-important, portentous waffling must have ensued", Maxwell wrote, "if this slender, poorly produced, badly edited, and often ludicrous volume is any reflection".

In the acknowledgements to his book, Leiken gave special thanks to two Venezuelans, Beatrice Rangel Mantilla and Gustavo Cisneros. It's remarkable that corruption-fighter Leiken would disclose his intimacy with this pair, since Rangel and Cisneros are closely associated with the grotesque thievery that has destroyed Venezuela's economy in recent years.

Rangel was one of the closest political advisors to President Carlos Andres Perez, whose neo-liberal economic policies ravaged the country in the early 1990s. Perez himself was evicted from office on charges of stealing public money.

Gustavo Cisneros is even more closely tied to Venezuela's rot. He and his brother, Ricardo, are among the richest men in the world, with interests in real estate, supermarkets, media (part owners of Univision, the Spanish-language network), sports equipment and baby products. They are also believed to have been the largest shareholders of Banco Latino which, until it collapsed in 1994, was Venezuela's second largest bank. The failure of Banco Latino triggered an economic crisis during which at least 18

Leiken's anti-corruption work has been financed by some of Latin America's shadiest money.

banks went under and the government was forced to spend \$7 billion — 16 percent of Venezuela's gross national product — to prevent a collapse of the country's financial system.

According to the Venezuelan government, Banco Latino insiders funneled pension fund money they controlled to their own firms, made illegal loans to cronies and committed fraud to the tune of \$200 million. In a story on the banking scandal, *The Wall Street Journal* had Luis Garcia Montoya, the former head of Venezuela's Securities and Exchange Commission, describing the Cisneros brothers as "a symbol of everything that has to be eliminated in order to make the country decent".

Gustavo Cisneros — who sits on the international advisory board of Chase Manhattan Bank and counts among his friends David Rockefeller, Henry Kissinger and Vernon Jordan — has helped finance Leiken's current line of work. That makes the Mad Maoist's crusade against corruption as credible as Philip Morris's campaign to stamp out teen smoking. ■

Hang 'Em High (But First, Pass the Stamps)

Attorney General Janet Reno is an ardent advocate of prison labor, a topic in which we at CounterPunch take a keen interest. A plaque in Reno's office aptly represents the priorities of Justice in Clinton Time: "All furniture in this office was built by federal prison inmates."

We recently received a brochure from UNICOR, the trade name for Federal Prison Industries, Inc., a Justice Department-run corporation that oversees a vast, captive reserve army of sub-minimum wage labor. While the primary mission of UNICOR is "to train, educate and employ inmates", companies benefit because of its timely provision of "high quality services at competitive prices".

The brochure touts UNICOR's ability to handle big mailings: "We have the resources and expertise to turn your mailing nightmares into sweet dreams." Companies need not worry about prisoners bungling the job, since UNICOR "oversees workers with a continual monitoring program".

UNICOR already handles mailing for the Federal Trade Commission and the Small Business Administration, as well as sending out four million Selective Service notices annually to remind 18-year-olds to register for the draft. Prison wage slaves are even employed to send out "decisions handed down by the Supreme Court", which are "labeled and mailed from the UNICOR Distribution Facility".

Thinking we might lower our mailing costs, we called UNICOR's toll-free number, 1-800-827-3168, to get information about its program. We were confronted with a menu of options, the first being "If you are calling to place a credit card order, to ensure that you don't give your credit card number to an inmate, please press 1." After punching in 4 we reached a prisoner/customer service representative who told us that UNICOR couldn't handle our account since it works only with state agencies and companies under contract to the federal government. ■

Let Them Eat Cake

Sally Quinn's Rx for America's Ills

Unbeknownst to most Americans, a crisis of the highest magnitude has erupted in elite circles in Washington. The cause is the decline of the dinner party, a development traced by experts to heightened social and political tensions between Democrats and Republicans. Word of the emerging crisis has reached across the Atlantic in the form of a *Sunday Times* piece by James Adams. He informed readers of a "balkanization of Washington into warring factions which rarely meet over crossed canapes".

A few months back Sally Quinn addressed this issue on *The Washington Post* op-ed page. Her article, "Guess Who's Not Coming to Dinner? The Decline of the Washington Social Scene May Actually Be Bad for the Country", sought to answer the burning question: "Why is the Washington party no longer a central political ritual for anybody?"

According to Quinn, wife of the newspaper's former editor Ben Bradlee, Washington social life is in disarray, a development painted in apocalyptic terms. She mourns the passing of the Washington hostess, "the key figure in that social scene", frets that the embassy circuit is dead and laments that the democratic process has resulted in the selection of presidents "who have abdicated the role of social leaders". As a result, "The city has lost its social axis, propelling its disparate groups apart and creating a vacuum.

Most to blame for the current state of affairs are the Republican hordes who entered Washington with the GOP's triumph in the 1994 Congressional elections. Quinn repines that these scoundrels are "on everyone's A list" yet have "scorned traditional Washington dinner parties" and "revile the Georgetown salons as hotbeds of iniquity".

Quinn spots an "interesting reordering of class war going on here too. Whereas once the Republicans were the nobility and the Democrats were the proletarians, now the social positions seem reversed, especially among the Republican hard-liners. With their spartan carry-out and beer parties, their style is more like that of the ascetic communists they once reviled, than the ruling class they aspire to be."

The Democrats are scarcely better. With the exception of Mack and Donna McLarty, Laura Tyson, Strobe Talbott and a few others, "very few people in this administration accept invitations to dinner. And people work so late that a would-be host or hostess has to have nerves of steel to actually plan a seated dinner."

Though unremarked by Quinn, the head occupant in the White House hardly serves as a role model of social propriety. Given Clinton's notorious addiction to fast food, White House staffers' idea of a graceful evening is a night at McDonald's cramming french fries into their mouths with their cellular phones lying in pools of ketchup and special sauce.

In Quinn's Babylon, Marcel Proust would be eating take-out pizza.

As always, bipartisanship is perceived as the only way to save America. Quinn says sadly that the capital's current "hard-line" social posture prevents Republicans and Democrats from getting to know each other, leading to stalemate and gridlock as opposed to the virtuous path of negotiation and compromise. To buttress this assertion, she cites everyone from Arthur Schlesinger, Jr. (cocktail parties are "occasions where the sternest purpose lurks under the highest frivolity") to Henry Kissinger (it is at the establishment's "dinner parties and receptions that the relationships are created without which the machinery of government would soon stalemate itself").

Could there be on Quinn's part resentment over her own failure to replace Pamela Harriman — Clinton's ambassador to France — as the new Washington Hostess? "Members of the Washington establishment are not only dying to meet and befriend those in power, they have to", she writes. "It's not very exciting or productive to mingle only with themselves. But hanging on to some vestige of social life is difficult when the people in power don't come." ■

Narco-Tuna, continued from p. 1

tion was also given to the State Department by DISIP, the Venezuelan intelligence service.

In point of fact, only months before Colson's outburst the DEA detained The Nataly I, a Colombian tuna trawler, off the Galapagos Islands. Inside its holds, hidden in boxes made for tuna, were twelve tons of cocaine destined for Mexico.

Fishing fleets have been associated with smuggling ever since Phoenician excise-men levied export duty on the cedars of Lebanon. The flows of cocaine and heroin from Colombia and Venezuela (approximately 90 percent of world output, according to the DEA) as well as from south-east Asia and other Andean countries have been transported to a considerable extent by fishing fleets. The tuna fleets are particularly important. Long-distance cruisers of the ocean, with a range of 10,000 miles, they are capable of pursuing their prey clear across the central Pacific. A second virtue of tuna fleets, from the point of view of the smugglers, is that the 250-foot boats — costing around \$12 million each — have multiple holds in which it is easy to conceal contraband.

Through the late 1970s the Colombian cartels steadily built up their tuna fleets, sending drug cargoes directly to the United States, through such ports as Miami. The "drug war", which began about half way through Reagan's first term, forced a change in trafficking strategy. (The "war" itself was primarily a way of funneling money to regimes crushing popular insurgencies.) The cartels began to use Mexico as an *entrepot*, with the Mexican and Colombian tuna fleets taking their cargoes up to Mexico's west coast to Ensenada and other tuna processing plants.

In the late 1970s President Jose Lopez Portillo invested \$1.7 billion in the government-owned tuna fleet, supplying the boats with cheap oil from the state refineries. By the late 1980s the Mexican fleet — with 70 big boats — was dominant in the smuggling operation and its growth became a paradigm of Mexican politics. Then, as the fleet began to haul in enormous revenues on "atun blanco", as one Caracas newspaper called cocaine, the fleet and canneries were privatized. Their shares were divided up between various prominent Mexicans in the ruling PRI.

One of these investors was Raul Salinas de Gortari, brother of the former Presi-

dent and now in prison as a suspect in the assassination of presidential candidate Luis Colosio. Salinas's wife was arrested while trying to withdraw money from a \$100 million account in Switzerland. The Mexican parliament recently agreed to investigate Salinas's tenure as head of Conasupo, the state-owned food agency. The suspicion is that Salinas skimmed hundreds of millions off Conasupo's operations and used warehouses and transportation networks for drug shipments. Among Salinas' holdings was one of the biggest canneries on the west coast of Mexico. The current Fisheries Minister of Mexico, Carlos Camacho, is also heavily invested in the Mexican tuna industry.

In the early 1990s, a shadow fell across the sunny world of *atun blanco* smuggling. This shadow was cast by the campaign of Earth Island Institute, based in San Francisco, to set a dolphin-safe standard for tuna fishing. Soon the US and EEC countries passed laws making it illegal to import tuna caught by methods endangering dolphins. The methods in question were largely developed by US tuna fleets in the 1960s, targeting the yellowfin tuna of the eastern tropical Pacific. Schools of this particular species swim below dolphins and the tuna fleets would look for dolphin, encircle them with a purse seine net and winch them and the tuna out of the water. As many as ten million dolphins were thus killed between 1970 and 1990.

With these new laws the lucrative tuna markets of the US and western Europe were closed to tuna caught by the Mexican, Venezuelan and Colombian fleets, which continued to use the old purse-seine technique. One ironic consequence was a tuna glut on Mexico's domestic market. The prized fish became a Conasupo staple for prisoners, school children and the destitute. The Mexican tuna fleet began to shrink, thus limiting overall smuggling capacity. At this point, the interests of the narco-traffickers and the theories of neo-liberal trade economists began to merge.

In 1991 the Mexican government, then headed by Carlos Salinas, challenged the dolphin-safe tuna laws before a GATT tribunal and won a decision against the United States. But at that time the US had veto power over GATT rulings affecting US domestic standards and the Bush administration promptly exercised this veto.

Natural Containers

The wildlife import trade has enjoyed a long and fruitful relationship with the cocaine and heroin industry. One favored way of importing cocaine into the US is via shipments of boa constrictors. Condoms containing eight ounces of cocaine are inserted into their rectums, which are then sewn up. Tropical fish coming out of south-east Asia are shipped in water-filled plastic bags which also contain a gel of diluted heroin. The bigger fish have the drugs implanted in their bellies. For years a favored way of exporting drugs out of Africa was to place them inside ivory elephant tusks.

One of the biggest wildlife exporters for many years was Michael Tsalickis, an American operating in Brazil and Peru. He had ties to the CIA and to a fugitive Nazi, Rafael von Steinbeck. Tsalickis sent species out of the Amazon to Miami and also exported rosewood. These wildlife and rosewood timber shipments carried his drug cargoes. His usefulness to the US government eventually wore out and in 1988 he was arrested in one of the largest cocaine busts in American history. He was seized along with 7,000 pounds of cocaine — estimated worth \$1.4 billion — in his wildlife warehouse in Tarpon Springs, Florida. ■

With the passage of the NAFTA agreement at the end of 1993, the picture changed. The Mexican government issued two threats. First, it would go before a NAFTA tribunal and argue that embargoes on Mexican tuna constituted a restraint on free trade. Next, it would go to GATT's successor, the World Trade Organization, and lodge the same complaint in a venue where the US no longer had veto power.

With these two threats Clinton and Gore faced a dilemma. They knew that they would lose in any NAFTA or WTO venue, since an important goal of these free trade agreements was precisely to outflank national environmental laws. But if the first major suppression of US sovereignty were to occur over so public an issue as dolphin-endangering tuna, the Clinton administration would face public outrage from a vital sector of its own supporters. It was one thing to have a WTO ruling, acting on a case brought by Venezuela, striking down portions of the 1990 US Clean Air Act forbidding the import of reformulated (i.e. "dirty") gas. This created no stir in the press. Nor did the PCB ruling, first exposed in *CounterPunch*. But dolphin-safe tuna is political dynamite.

In the fall of 1995, President Ernesto Zedillo came to Washington for talks with Clinton and Gore. The prime topic was a rescheduling of Mexican repayments of US bailout money following the peso's collapse in late 1994. Next on the agenda was Mexican tuna. Zedillo again raised the specter of a WTO complaint; Clinton

and Gore assured him that the problem would be more prudently solved through domestic legislation.

The Clinton administration kept its word and duly recruited Senator John Breaux of Louisiana and Alaskan Senator Ted Stevens to gut the Marine Mammals Protection Act and overturn the US ban on dolphin-unsafe tuna. We described this episode and the shameful, complicit role played by five major enviro

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groups here in *CounterPunch* at the end of last year.

Partly as a consequence of our exposé, faxed to many thousands of dolphin allies who promptly laid siege to their senators, the Breaux-Stevens bill floundered. The administration regrouped in the House, using two friendly Republicans, Wayne Gilchrest of Maryland and James Saxton of New Jersey (Clinton's so-called "sensible center"). Other recruits included the lobbying might of Burson-Marsteller and Ted Krohn Miller, a former Stevens staffer now paid \$10,000 a week to lobby for the Mexicans. On May 8, the dolphin death bill cleared Don Young's House Resources Committee.

Even so, given the volatility of dolphin politics and the importance of the enviro vote to Clinton's reelection, it's far from certain that the domestic dolphin death bill will succeed. The Mexicans will no doubt once again threaten to go to the World Trade Organization. The mid-range certainty is that dolphin embargo laws are in immediate jeopardy and the Mexican tuna fleets, owned by the narco-traffickers and high-ranking Mexican officials, will once again expand.

As this tuna fleet history suggests, free trade agreements have become an immense boon for the world's drug-smuggling cartels. Since the passage of NAFTA, the inspection of commercial cross-border traffic between Mexico and the US has been dramatically reduced. The trade agreements have liberalized international banking rules, making it much easier to launder billions in drug revenues.

Cocaine Corruption

The complicity of Colombian politicians with the drug cartels is well-known. The current president, Ernesto Semper, has been in serious trouble ever since it was revealed that the Medellin and Cali cartels invested \$6.1 million in his election campaign. One of the key figures handing out the money was Victor Patino of the Cali cartel, who controls Colombia's tuna fleet.

In Mexico the pay-offs are even larger. *El Financero*, Mexico's leading business newspaper, estimates that ruling PRI officials get pay-offs of \$500 million a year. The same paper claims that similar disbursements are made to US government officials in the Customs Service, DEA and State Department at very high levels. ■

Last month Thomas Constantine, head of the DEA, went to Mexico to berate bank officials there for their lax attention to the laundering of drug money. The paradox is that the number one culprit in this field is the US banking industry. A recent GAO report cites Citibank as the foremost money laundering institution in the world. It was Citibank through which Raul Salinas passed his drug money.

Other free trade features agreeable to the world's cocaine and heroin traders are liberalized foreign investment rules, less regulation of currency and the privatization of ports. Alan Garcia, former president of Peru, has said that the free trade agreements have allowed "the drug cartels to become Latin America's first multinationals".

The confluence of US covert intelligence with the world drug trade has been the subject of much interesting work, notably Alfred McCoy's *Politics of Heroin in South-East Asia*. CIA operations require "black" money and gangster assistance

and the drug trade affords both. In the 1980s Reagan-Bush contra supply operations disclosed a willingness on the part of US administrations to work with drug smugglers throughout Central America. (Historians of such alliances will recall US government collusion with Lucky Luciano in the mid-1940s.) The US has always exercised its preferential option for corrupt governments involved in the drug trade — such as for example that of Anastasio Somoza in Nicaragua — over reforming regimes engendering political instability.

Such long-term US policy would explain the present stance of the US State Department in refusing to press any laws which would damage the international drug trade. Well qualified to understand this priority is the new "drug czar", General Barry McCaffrey, previously head of the US Army's Southern Command. His first act was to certify Mexico as a cooperator in the drug war. How the Mexican PRI, elbow-deep in narco-trafficking, must have laughed at that! ■

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