

The war on drugs: victory from defeat?

by Jeffrey Steinberg

The year 1988 marked the tenth anniversary of the first edition of *EIR's* seminal study on the international narcotics trade, *Dope, Inc.* It was the year that two of the key features of the *Dope, Inc.* dossier—the role of the banks in laundering billions in drug revenues and the link between the dope cartels and international terrorism—grabbed headlines worldwide. It was the year that a new dimension of the drug plight, massive street gang violence, became an everyday reality in every urban center in the United States. It was also the year that the war on drugs, as a real war, came to a virtual halt.

The challenge confronting President-elect George Bush, who will appoint the nation's first White House drug czar as one of his first acts in office, is, therefore, how to steal victory from what is now a crushing defeat in the war on drugs.

In September, Adm. Daniel Murphy, USN (ret.) gave *EIR* an exclusive interview in which he talked about the prospects of a Bush administration war on drugs. The former chief of staff of the Office of the Vice President from 1981-85, and the first head of the National Narcotics Border Interdiction System (NNBIS), Murphy gave *EIR* a frank assessment of the status of the nation's battle against the international drug cartel:

"I view the war on drugs as a war that we have not been winning. But if we hadn't fought it at all, we'd probably be a lot worse off. I compared it in my congressional testimony to World War II in the Pacific. We'd got our heads handed to us in the beginning, but we regrouped, got more equipment out there, and we finally turned it around and beat the hell out of them. But, we didn't stand still. We had to accept the fact that we were not winning and do something more about it. Well, that's where we are today."

Drug banks under fire—at last

Perhaps the first substantive signs that a new dimension of seriousness was being introduced into the Reagan administration's war on drugs came less than a month after the Murphy interview, when on Oct. 11, a federal grand jury in Tampa, Florida, handed down indictments against 86 individuals, including top officials of the Luxembourg-based Bank of Credit and Commerce International (BCCI), charging that BCCI had been laundering drug revenues of the

infamous Medellín Cartel. BCCI is the eighth-largest privately held bank in the world. The BCCI bust, the first case in history of a major international bank and its top officials being indicted as felons along with known dope traffickers, was heralded by U.S. Customs Service chief William Von Raab as the beginning of a new era in drug enforcement. In press conferences in Florida and in Washington, D.C., Von Raab, echoing the words published a decade earlier in *Dope, Inc.*, denounced the "see-no-evil bankers" who provided the key logistical infrastructure for the international dope cartel, and without whose assistance, the cartel bosses would choke on their own cash.

By late November, 41 other major U.S.-based banks had been subpoenaed to provide account records to the continuing grand jury. All of those banks had emerged as possible collaborators of BCCI as the result of reviews of records seized at the time of the BCCI indictments. Such giants as Bank of America, Marine Midland Bank, Bank of Nova Scotia, and Republic National Bank were hit up with subpoenas. Not surprisingly, the vast majority of the banks now under federal scrutiny since the BCCI indictments, were first identified in *Dope, Inc.* The targets of the Customs probe include a string of smaller banks in southern Florida which are all linked to the Israeli mafia and to the late American mob figure Meyer Lansky and his friends at the Anti-Defamation League (ADL).

BCCI itself first came to the attention of *EIR* during the late 1970s in the context of the Billygate affair that helped bring down President Jimmy Carter. At that time, the bank was taken over by Carter patrons in the leadership of the Democratic Party, including Clark Clifford and Bert Lance. Clifford and Lance still are major players at BCCI, although neither was indicted in October.

Even more recently, the *Wall Street Journal* editorially called for an end to the Swiss bank secrecy laws which have provided one of the most frequently abused safe havens for hot money. The *Journal* also reported—for the first time outside of *EIR*—that the annual revenues of the international dope cartel exceed \$500 billion.

While the battle of words has taken on new militance, and while Congress has mandated that incoming President Bush appoint a White House czar to direct the nation's anti-drug effort, drug use, particularly among youth, continues to grow exponentially, with cheap forms of cocaine like "crack" finding their way into every high school and junior high school from coast to coast. A new vocabulary, "crack houses," "gang bangers," "Crypts," "Bloods," has been added to the English language in 1988, underscoring the cultural warfare dimensions of the drug plague and the failure to launch the real war.

Some U.S. intelligence analysts are belatedly coming to realize that, on its most basic level, the drug epidemic is a form of Soviet-inspired irregular warfare—eroding the cultural fabric of Western civilization. The success or failure of that effort will be determined before the end of this decade.