

# Bush, North cocaine role put in the spotlight in drug debate

by Edward Spannaus

The role of former Vice President George Bush and National Security Council aide Oliver North, has been highlighted in a number of new developments in the ferment around demands for investigation of U.S. government culpability in promoting the crack cocaine epidemic of the 1980s.

In our last issue, we reported on the Nov. 26 hearing of the Senate Intelligence Committee, where activists broke through the coverup to demand that witnesses be called who would testify honestly about the Contras and drugs, and to put the question of George Bush's role on the agenda.

The next day, North and talk show host Joe Madison faced off in a debate broadcast live on Washington, D.C. radio and nationally on C-SPAN. The Nov. 27 debate, held at the Palm Restaurant in Washington, was moderated by a third talk-show host, Larry King. Since the *San Jose Mercury News* broke the story of the Contra-sponsored Los Angeles crack ring in August, Madison has devoted his daily three-hour radio show to debate on the Contra-cocaine story. North has, of course, hysterically denied that there is any truth to the Contra-cocaine allegations.

Despite King's efforts to focus the debate on the charges of CIA involvement in Los Angeles, Madison zeroed in from the beginning on North himself and North's personal role in the Contra drug pipeline, citing handwritten notations from North's notebooks and records from the Senate investigation chaired by Sen. John Kerry (D-Mass.), to show that North was up to his eyeballs in the guns-for-drugs program.

In the hour preceding the North-Madison debate, Madison conducted his regular talk show (also televised nationwide on C-SPAN) with historian John Newman, who has researched the Contra-cocaine issue. One caller asked about the "eruption" at the Senate hearing the previous day, saying that a woman had stood up and held out a folder, and had said that this was the evidence against George Bush, and that there was supposed to have been an investigation of Bush which never took place. (The "folder" was an *EIR Special Report*—see last week's issue, p. 58.)

Newman responded to the caller by referring to "the whole documentary trail" when Bush was vice president, and how Bush was "set up in charge of the crisis management center." The Contra resupply effort in the National Security Council "had at the head of that structure the vice president," he said. Another caller said that Bush had invaded Panama because

Gen. Manuel Noriega had shut down banks which were engaged in money-laundering.

## Castillo's charges confirmed

An important addition to the debate around the Contra-cocaine scandal came in the *Dallas Morning News* on Dec. 1, in a front-page story centering on the evidence of Contra-linked drug-smuggling presented by former Drug Enforcement Administration (DEA) agent Celerino Castillo beginning in 1993 and 1994 (see *EIR*, Sept. 23 and Nov. 18, 1994).

Castillo had discovered that planeloads of cocaine and marijuana were brought into the United States from Colombia, via the Ilopango Air Base in El Salvador, with the blessing of senior White House officials, including North and Bush. Bush had dispatched "retired" CIA officer Felix Rodriguez to El Salvador, to oversee the Ilopango supply operations; according to the final report of Iran-Contra special prosecutor Lawrence Walsh, Rodriguez reported regularly to Bush, Bush's national security aide Donald Gregg, and North, on the progress of the operation.

Reporters for the *Dallas Morning News* interviewed many of Castillo's sources, including former Ilopango employees, and they corroborated the former DEA agent's story—including White House control over the operation, and the fact that many Contra supply pilots were known narcotics smugglers.

The *Dallas Morning News* apparently attempted to interview Rodriguez, who is quoted saying: "It is absolutely false and all . . . [expletive]."

The *Dallas Morning News* is the first publication besides *EIR* (Nov. 18, 1994) to confirm Castillo's account of the police raid on the El Salvador house of Walter Grasheim, a U.S. businessman who was working out of the U.S. Embassy, with U.S. government credentials, and selling military equipment to the Contras. In September 1986, Salvadoran narcotics officers working with Castillo, searched Grasheim's home and found marijuana and a small arsenal of weapons, ammunition, and explosives. One of Castillo's informants told the *News* that local officials "were convinced we'd hit a Contras weapons lode." Shortly after this, Castillo was ordered to shelve the Ilopango investigation.

(*EIR* has examined declassified files from the Walsh investigation, in which Grasheim says he was asked by Pentagon officials to help provide military equipment to the Con-

tras. Grasheim told investigators that he knew Felix Rodriguez, and that Rodriguez told Grasheim “that he talked to Vice President George Bush.”)

The *Texas Observer*, meanwhile, has published the second part of its exposé of the coverup of the Bush-North-CIA Contra apparatus, detailing how the Congressional “Iran-Contra” investigation was set up so as to “suppress the dirtier aspects of the Iran-Contra affair.” The article notes that the senior investigator for the Senate Democrats was Thomas Polgar, who had been a consultant, along with North and others, to the Vice President’s Task Force on Combatting Terrorism, headed by Bush. “Upon arriving in Washington for his new Iran-Contra investigator job, Polgar met with his former CIA colleague Donald Gregg, national security advisor to then-Vice President George Bush,” the *Observer* reports. Gregg later said that Polgar had assured him that the Iran-Contra hearings “would not be a repeat of the Pike and Church investigation” of the 1970s into abuses by U.S. intelligence agencies.

The *Observer* also focuses attention on the role of William Weld, now the governor of Massachusetts, who headed the Criminal Division of the U.S. Justice Department in 1986-88, and who led a determined effort to block any investigation of the Contra-drug connection.

The September 1996 *EIR Special Report*, “Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?” included a proposed indictment against Bush, Weld, North, Rodriguez, and others, on charges of racketeering, conspiracy to violate narcotics laws, and obstruction of justice.

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## Documentation

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*Excerpts from “Drug Link Allegations Renewed,” by David LaGesse and George Rodrigue, with John Newman and Berta Thayer, the Dallas Morning News, Dec. 1, 1996.*

Ten years ago, El Salvador’s Ilopango Air Base served as the major depot for American aid pouring south into a secret war against Nicaragua’s Marxist Sandinista regime.

A former federal agent charges that Ilopango also served as a key transit point for smugglers flying narcotics back north, some of whom flew for the U.S.-backed Contras.

Former Drug Enforcement Administration Agent Celerino Castillo III said that while the White House ran its covert war, he ran his own secret operation—and that his informants found a startling mix of arms, narcotics, and money at Ilopango.

Mr. Castillo, now retired and living in McAllen, Texas, said that he found that some pilots flying for the Contras were listed in DEA records as suspected drug runners. . . .

Information gathered by the *Dallas Morning News* in

Washington, Texas, Panama, and El Salvador indicated that during his Central American service Mr. Castillo was rated as a dedicated and capable agent and that he had grounds for thinking that the United States was knowingly working with smugglers.

The *News* spoke with Mr. Castillo’s informants, with some of his supervisors, and with an accused trafficker who flew out of Ilopango. The *News* also reviewed previous Congressional hearing records and some still-secret government documents by and about Mr. Castillo. . . .

Mr. Castillo’s two chief informants had intimate knowledge of Ilopango and its military overseers. They had access to its records. And they confirmed that they told Mr. Castillo that the airport was often used by drug-smugglers and by drug-money couriers.

*Excerpts from “The History of a Coverup,” by Dennis Bernstein and Robert Knight, Texas Observer, Dec. 6, 1996.*

. . . Even before the joint Iran-Contra committees were formed, three other Congressional committees were independently examining charges that Oliver North’s secret Contra arms network was funded by illegal drug sales—with the knowledge of the Central Intelligence Agency. . . .

The most aggressive of the three Congressional committees was John Kerry’s Senate Subcommittee on Narcotics, Terrorism and International Operations. Kerry found significant evidence of Contra-connected drug smuggling. . . .

Before Kerry went public with his findings, he attempted to get the Justice Department to act on what he considered compelling evidence of U.S. involvement in illegal activities—including Contra drug trafficking. On Sept. 26, 1986, Kerry met with Assistant U.S. Attorney [General] William Weld, then head of the Justice Department’s criminal division. According to the minutes of the meeting prepared by Kerry aide Jonathan Winer, the senator described his committee’s findings: “that we had learned a lot about neutrality violations, gun running, and drug smuggling involving the Contras and the infrastructure which supports them.”

Kerry handed Weld an eleven-page sworn statement from FBI informant Wanda Palacio, which directly implicated the CIA in drug trafficking. . . . Winer . . . said Weld “read about a half page and chuckled.” He said, “This isn’t the first time today I’ve seen allegations about CIA agents’ involvement in drugs. . . .” But Weld never acted on the Palacio statement or any other evidence gathered by Kerry. . . .

According to former Kerry committee counsel Jack Blum’s recent testimony before Senate Intelligence Committee hearings prompted by the *San Jose Mercury News* series, Weld had put up an “absolute stone wall” between the Justice Department and the Kerry investigation. “There were stalls, there were refusals to talk to us, refusals to turn over data. . . . Weld put a very serious block on any effort to get information.”