

Bush turned U.S. into major drug producer

by Michele Steinberg and Marcia Merry Baker

George “Dubya” Bush, the GOP front-runner for the year 2000 Presidential nomination, became the first major party Presidential candidate since Trilateral Democrat Jimmy Carter to make laws on marijuana a states’ rights issue, openly advocating that Federal laws against growing, selling, and using marijuana be overridden. Bush made the endorsement on Oct. 16 while campaigning in Seattle, Washington. Asked about “medical marijuana” referendums, Bush said, “I believe that each state can make that decision as they so choose.”

George “Dubya” Bush is a chip off the old block. His father, George H.W. Bush, first as Vice President and then as President beginning in 1981, imposed a “dope decade” on the United States, in which the United States became one of the world’s leading drug producers, and marijuana became the biggest cash crop in America.

As documented in the accompanying articles on Colombia’s rise to “cocaine king” under Bush’s “secret government” arrangements, marijuana production in Colombia fell from 10,500 tons a year, accounting for about two-thirds of the world’s cultivation in 1979-81, to a tiny fraction of that amount in 1989-90—when only about 2,000 tons of marijuana was cultivated there. Bush’s deal with the Colombian drug cartels was to have the cartels shift to the more expensive and lucrative production of cocaine, which could help finance Bush’s covert operations.

But the marijuana market was growing, and the street price was going up, so why would marijuana producers give up what was to become a \$75 billion a year market? The answer: It wasn’t “given up”; it was cartelized.

By arrangement with the cartels, marijuana cultivation moved to the United States, allowing for easier transport and delivery to the U.S. street market. At the same time that marijuana production dropped in Colombia, it skyrocketed in the United States. In 1979-80, marijuana cultivation in the United States went from a negligible amount (considering worldwide drug production), estimated to be in the hundreds of tons, to more than 6,000 tons per year in 1989-90. Since its peak during Bush’s dope decade, the United States has continued to produce about one-half of domestic consumption.

The fact that the United States is both the largest consumer

and the largest producer of a drug that has been proven to be a danger to its population, is a shocking reality that needs to be understood by the American citizenry. First, it immediately shatters the myth that U.S. drugs are a “foreign invasion” from drug-producing countries. Second, it shows that Dope, Inc. is an integrated global cartel, which simultaneously controls the production, distribution, consumption, and money-laundering phases of the world’s biggest business.

Carter embraced an early form of marijuana legalization, but couldn’t get it passed into law. It took Bush and the “secret government” operations under Executive Order 12333 to make the United States a top producer in the international drug trade.

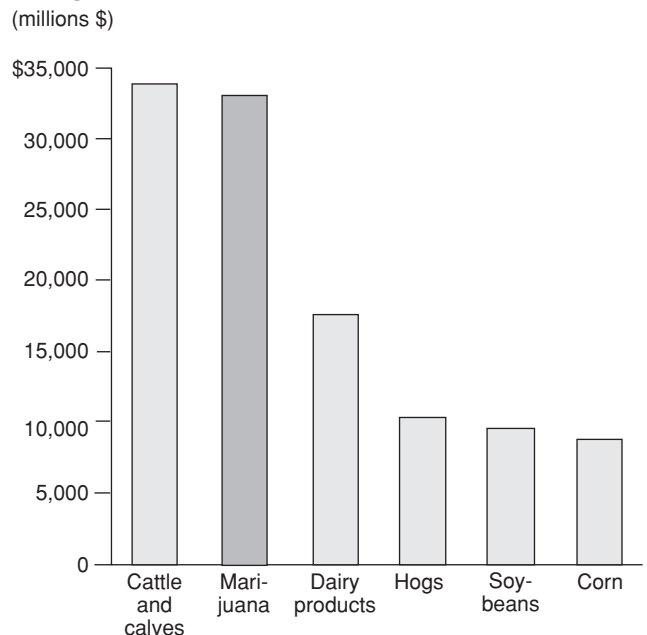
The end of American agriculture

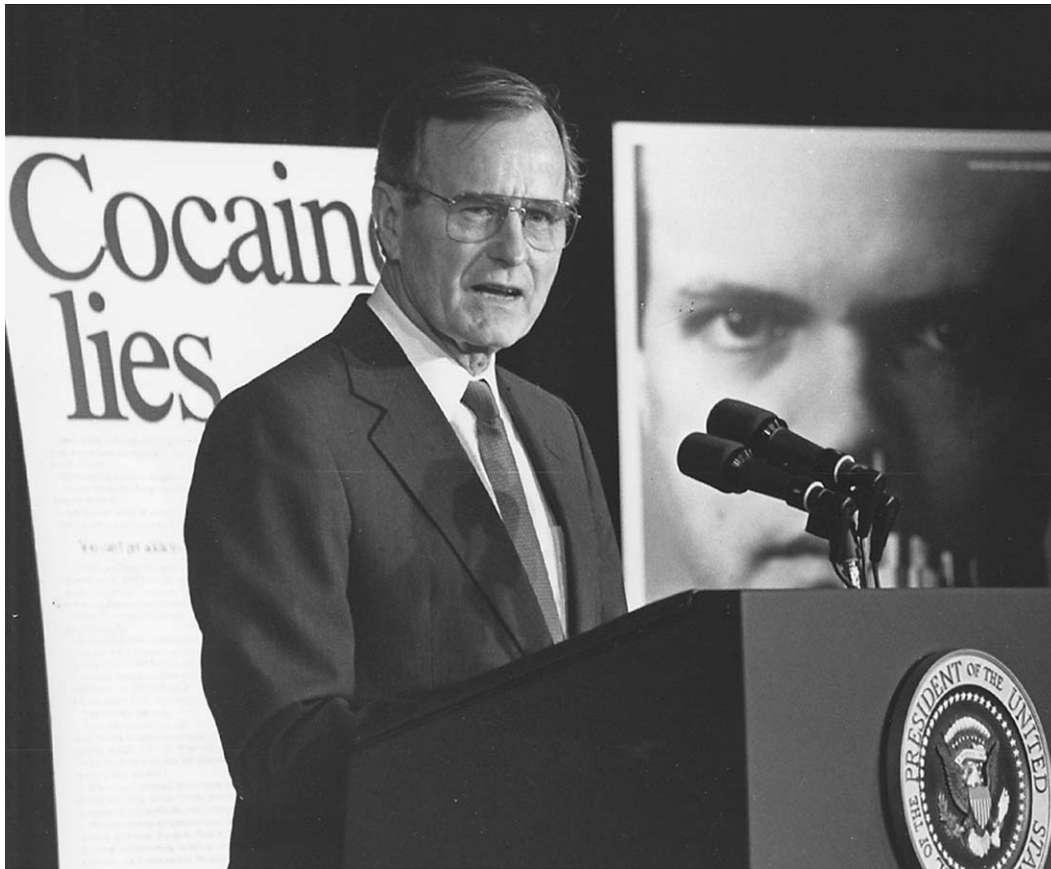
Worse, drug cultivation and the black market grew like a cancerous tumor, driving out the productive sector in agriculture. Here’s what happened:

By 1987, the gross value of the crop produced in the United States was an estimated \$43.7 billion, and marijuana had become the biggest cash crop in America, eclipsing all agricultural commodities but one—cattle and calves (Figure 1).

In part, this reflected a rising street price, particularly as eradication raids periodically eliminated significant amounts of cultivation in certain regions. But more than three-fourths of the dollar increase was due to increased *physical produc-*

FIGURE 1
Value of 1987 U.S. marijuana harvest exceeds all agricultural commodities





President George Bush at the Partnership for a Drug Free America in Washington, D.C., Nov. 2, 1989. As Vice President and President, Bush directed the “secret parallel government” apparatus that flooded the United States with drugs. “Cocaine lies,” and so does George Bush.

tion of marijuana. Even as Mexico and other points continued to increase production (also picking up the slack from the drop in Colombian production), the U.S. share of marijuana production continued to grow. By 1989, the U.S. percentage of annual estimated world marijuana output reached 27%.

For the 1992 edition of *Dope, Inc.*, the editors of *EIR* did a comprehensive study of the economic and physical drug production worldwide, showing that the United States had suffered a spectacular leap as a “producer” country. The study focussed on 1987, for the simple reason that consistent and complete data were available for both agricultural commodities and for estimated marijuana values. In fact, 1987 was one of the last years that comprehensive data were available. By 1991, the data on marijuana production had become so embarrassing for then-President Bush, that the Drug Enforcement Administration (DEA) discontinued collecting data and keeping records on domestic marijuana production.

George Bush had made his reputation as a drug fighter based on attacking “foreign sources,” such as his invasion of Panama in 1989. If it had been admitted that the United States was producing its own dope, he would have had to turn his guns on the United States itself, or against the money-laundering activities of domestic companies, such as E.F. Hutton, the stock brokerage firm owned by his brother-in-law, F. Scott

Pierce (brother of Barbara Bush), which was caught laundering drug money.

The most lucrative crop

1987 was a watershed year. Not only did marijuana surpass nearly every other agricultural commodity as a cash crop, but 1987 marked the first year in recent history that, for a month or two, the United States was a net food importer.

The 1987 marijuana harvest (\$33.095 billion) was almost equivalent to the receipts from the largest agriculture commodity (cattle and calves, \$33.829 billion), and it was larger than *every other* agricultural commodity, and larger than several major grain crops combined.

By 1987, the harvest value of marijuana exceeded that of soybeans and corn combined (\$18.372 billion)—the two crops in which the United States leads in world production. Even adding in the value of wheat (\$4.869 billion) and hay (\$2.233 billion), the \$25.474 billion total did not come close to the proceeds from marijuana.

The pattern in these figures does *not* reflect some imputed “natural shift of preference” among farmers away from producing food, into producing dope. The U.S. marijuana harvest reflected a series of deliberate policy decisions by a network of influentials in the mega-banks, the U.S. Department of

Justice, the Department of Agriculture (USDA), the International Monetary Fund, and related agencies, to create the conditions where dope growing in the United States was encouraged.

Over the 1970s and 1980s, the central banks jacked up international interest rates, and then forced Third World nations to adopt austerity policies. This, predictably, destroyed the productive sectors of their economies, at which point the bankers told them that they should produce any crop—including drugs, wherever that was lucrative—to generate cash to repay their debts.

The spectacular growth of marijuana cultivation in the United States in the 1980s was a result of the same policies. The same usurious interest rates that destroyed the Third World have also made it nearly impossible for agriculture to survive in the United States. Bankruptcies in the farm sector skyrocketed, and farmers were—and are—being told to grow pot, or lose their farms.

A case example

The case of one Montana farm family shows just how vicious Bush's phony "war on drugs" was. In 1988, Montana farmers Mr. and Mrs. Dick Kurth were convicted for growing marijuana, after they switched from raising cattle in a desperate attempt to retire their crushing debt to Norwest Bank. By 1985, in the midst of plummeting prices for beef, and stratospheric interest rates introduced by Federal Reserve Chairman Paul Volcker, the Kurths were in debt for \$1.2 million to Norwest.

It is on public record that the Kurths were advised by their local Norwest Bank officer, Floyd DeRusha, that they would have a chance to prevent bankruptcy if they produced marijuana. Once the farmers, very experienced in agronomy, produced successive years of marijuana crops, they paid off their debts, with money to spare.

According to press accounts, DeRusha was just "joking" when, in 1985, he said, "Well, other than growing marijuana, I don't know what you can do. Why don't you try that?" in response to the Kurths' anguished plea for help to continue ranching. Norwest Bank president Frank Shaw denies that this was an okay to grow dope, but the bank gladly accepted the Kurths' money to pay off their loan, even though any responsible bank official would have had to wonder where the money was coming from, since the Kurths had been insolvent. Dick Kurth further testified that he informed Norwest how he was making his money, and that bank officials even helped him make big cash deposits in such a way as to evade Federal rules designed to detect cash of dubious origins. The bank took the attitude that money is money.

Nationally, "one step removed" was the official policy regarding laundering drug money, and Bush cronies, such as William Weld, the U.S. Attorney in Boston, Massachusetts who arranged the sweetheart deals to not prosecute the Bank

of Boston and Crédit Suisse First Boston, led the pack. The mega-banks caught violating Federal reporting laws, and taking in large amounts of drug-marketing cash, were given only slap-on-the-wrist fines.

Production patterns

The two zones accounting for 42% of U.S. marijuana output (1987 figures) are concentrated in the Pacific states of California, Oregon, Washington, and Hawaii, and the poverty-stricken counties of the Appalachians and Ozarks in the eastern and central United States, including Arkansas, Missouri, Kentucky, Tennessee, northern Georgia, and southwestern Virginia. The other 58% of the pot is grown throughout the nation, usually in the most secluded areas.

The figures show that there were not wholesale switchovers to marijuana cultivation by traditional farmers in the big farm states. Instead, marijuana cultivation has been taken up in remote areas impoverished by the shutdown of local coal mines and other industries and by the fall in farm commodity prices. Added to that, is the counterculture's "Mother Earth"-type farmer, especially on the West Coast.

Where marijuana is the top cash crop

Estimates for the 45 states where statistics are available, show that marijuana is now cultivated in significant amounts everywhere.

In 1987, marijuana had become 655% of the dollar value of all other farm output combined in Alaska, 335% in West Virginia, 237% in Hawaii, and 236% in New Hampshire. In Oregon and Massachusetts, the marijuana crop value had reached more than 90% of the total other farm output.

Table 1, based on 1987 figures, lists all states in alphabetical order and gives the dollar value of marijuana output, the value and name of the leading farm commodity of that state, and the size of the marijuana crop, expressed as a percentage of the leading legal farm commodity. For example, in Vermont, the value of marijuana harvested (\$370 million) is 118% of the value of dairy products (\$314 million), the state's leading legal commodity.

In 37 of the 50 states, the harvest value of marijuana cultivated in 1987 exceeded that of the leading legal crop (i.e., excluding non-crop agricultural commodities, such as livestock and dairy) grown in that state (**Figure 2**).

But it is clear that, where farmers could still make a living in agriculture, they didn't turn to pot. The state data show clearly that the top farm states are not the top pot-producing states—either in percentage or in absolute terms. The one exception is California, which is special in many respects. That state has the largest population in the nation, and an economy larger than that of many nations. It has a rich, varied agriculture, with secluded and favorable growth locations for marijuana. California, especially the Los Angeles area, was also the laboratory for George Bush's crack cocaine experi-

planted to marijuana, both because of its remoteness, and because the grower calculates thus to avoid personal property seizure in case he is caught. The 661,000-acre Daniel Boone National Forest in Kentucky has had large patches of marijuana sown in secluded hollows, behind cornfields, and between rows of corn. In Hawaii, on the Big Island, marijuana growers take advantage of the vast tracts of undeveloped land.

Even the pattern of occasional drug busts provides enough information to show the social and geographic characteristics of marijuana cultivation:

Clay County, Kentucky: As many as 40% of the county's 24,100 citizens grew marijuana as of 1989, according to local authorities. The county suffered 25% unemployment, compared with an official rate of 6% nationally; half the population lived on Social Security, disability, or unemployment payments; and the high school drop-out rate was about twice the national average. This area, a former coal-producing region where the mines shut down, became the largest marijuana producer in Kentucky, which in turn is the third-largest producing state in the nation.

Southwestern Virginia: The same situation prevailed in this neighboring 15-county region, where coal mining had been closed down. In 1989, one raid destroyed 10,753 plants, with a value roughly estimated at \$10.7 million.

Dope moves in where farm policy failed

During the phony "Reagan-Bush recovery" of the 1980s, an estimated 400,000 farmers were bankrupted or forced to quit by selling out or abandoning their operations.

Under orders from the food cartels, whose executives direct the programs of the USDA, the U.S. government adopted

a radical free-market policy in the 1985 five-year farm bill and in the General Agreement on Tariffs and Trade (GATT) negotiations. Hundreds of thousands more farmers were wiped out because of that policy, making marijuana an even stronger draw.

In 1981, U.S. agriculture had a total asset value of \$1 trillion, which dropped to \$760 billion by 1990—a 24% plunge. Over this decade, lending agencies devalued the collateral backing farmers' loans, and demanded more collateral and higher interest rates on debt. After Paul Volcker became chairman of the Federal Reserve in 1979, his high-interest-rate policy caused some farm lending to exceed a rate of interest of 20%.

In the early 1980s, farmers scrambled to hock everything they owned, and went deeper into debt. Applications soared to the Farmers Home Administration (FmHA), the farmer's lender of last resort. By the mid-1980s, total agriculture debt soared to more than \$215 billion, held by three major lending groups: the FmHA, the commercial banks, and the Production Credit Associations, private entities with limited government backing. Then, the axe fell. The Reagan-Bush administration ordered creditors to "tighten up" on loans. By 1990, total agriculture debt nationally was brought down to less than \$190 billion, by a process of shutting down hundreds of thousands of farmers, and squeezing others dry.

The USDA dumped thousands of its FmHA farm borrowers into forced bankruptcy. Hundreds of small local farm banks went under. Today, farm communities have become ghost towns. And with the low prices for farm commodities, farmers are still unable to service their debt and capitalize their operations. Bush's "dope decade" had taken hold.

Drug lobby 'delighted' by Bush's 'states' rights'

One of the first people to praise George "Dubya" Bush's stand backing states' rights on drug legalization, was R. Keith Stroup, executive director for the National Organization for the Reform of Marijuana Laws (NORML), who said that he was "delighted" by Bush's pronouncement. "It is encouraging to hear [Bush] indicate that he would leave this decision" to the states, said Stroup.

NORML was also there to cheer President Jimmy Carter in August 1977, when Carter, the candidate of the Tri-lateral Commission, sent a message to Congress which said, "I supported a change in the laws to end Federal criminal penalties for possession of up to one ounce of marijuana, leaving the states free to adopt whatever laws they wish concerning marijuana." Carter had retained four

members of NORML's Advisory Board in his administration.

Carter's effort to usher in marijuana legalization fell like a lead balloon, largely due to the opposition of the movement associated with Lyndon LaRouche, which waged a successful campaign against "Dope, Inc." and the dope lobby's state-by-state efforts to "decriminalize" marijuana. In 1977 and 1978, representatives of the LaRouche movement testified and lobbied in more than 20 state legislatures, and successfully blocked NORML's decriminalization drive. By 1981, *High Times* magazine, flagship of the drug-legalization movement, was complaining to its readers about LaRouche. One headline screamed, "He Wants to Take Your Drugs Away!"

Carter openly embraced marijuana legalization, but he was never able to get it through. It took George Bush's secret government, and police state actions against the LaRouche movement, to turn America into one of the world's largest dope producers.—*Michele Steinberg*