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High times, low company

Global drug trading since the 1960s



Today, there is a global drug market as never before. Just as legitimate financial markets have become more sophisticated and complicated, so too have the movement and reinvestment of drug monies and their impact on the overground economy become a matter of increasing international concern. The transfer of technologies and habits from the urban to the rural and developing world has also radically transformed drug supply, demand and availability, to the extent that no matter where you are in the world you are never very far from drugs.

That said, drug trafficking is not a simple, single monolith, and attempts to classify it tend to be transient or unsatisfactory. The context within which trafficking takes place is complex, yet explanations often tend to be single nation specific, politically or institutionally determined and frequently skewed by the manipulation or misinterpretation of data. All too regularly, almost racist stereotypes have been used as an easy shorthand to characterise complex criminal and business relations, while misleading and inexact concepts of 'victim' and 'supplier' nations have been symptomatic of the narrow ethnocentricity and self-absorption of Western thinking about drugs during much of the post-war period.

There are therefore a number of basic principles to bear in mind when considering trafficking: it cannot be viewed outside the context of economic, social and political developments. Assumptions made about supply, demand and consumption have to be constantly challenged. Do not expect consistency. Distrust rhetoric. Distrust conspiracy theory. One is tempted to say, in the best *X-Files* manner, trust no-one.

Not my problem

There are a variety of ways to describe the evolution of global trafficking over the past three decades – but chronology and geography are the simplest. In great power terms, Britain's piratical role in the 19th century opium trade was supplanted by American dominance of an ill-balanced and worse-tempered discourse on illicit drug control in the 20th.^{1,2} As for the other great 20th century power, until the thawing of perestroika the Soviet Union denied that it had any drug problem whatsoever (though it was conspicuously less successful at concealing the high levels of alcoholism endemic in Russian culture). In general, then, the message has tended to be that while the States has a major problem, somebody else is responsible, particularly foreign countries where heroin, cocaine, amphetamine, and cannabis are processed or cultivated.

Supply has generally been emphasised rather than demand, although in the 1960s and early 1970s Governor Rockefeller in New York and subsequently Richard Nixon nationally conducted political campaigns suggesting that street crime might largely be eliminated if the drug problem could be resolved. This led to additional resources being channelled into law enforcement. The corruption-prone Federal Bureau of Narcotics was eventually transformed into the Drug Enforcement Administration,³ and for the first time, serious money was also targeted at prevention, treatment and care services.

Ironically, as the article by Rowdy Yates in this issue demonstrates, the American mission to convince others of the importance of drug issues was assisted by the widespread adoption of American cultural styles associated with rock'n'roll, off-the-shelf mysticism, student militancy and recreational drug use.

The other great contemporaneous American 'event', the Vietnam War, saw extensive cannabis and heroin use among GIs and the pullout can be seen as one of the turning points in the international growth of drug trafficking. The resulting ethnic diaspora led to a marked upsurge in the availability of South East Asian heroin in Europe as entrepreneurs,

deprived of their GI market, sought new customers elsewhere in the world.

Magic bus

While the sixties generation of North American cannabis users sought supplies in Mexico and Colombia, British and other European travellers looked to the east and the hash producers of Afghanistan, Pakistan and India. The hippy trail constituted as much a search for adventure and 'quality product' as for enlightenment and contemplation. VW campers full of happy trippers and kilo slabs of hashish plied between London, Amsterdam and Southwest Asia, combining hippy idealism and enlightened merchant capitalism to varying degrees.⁴

But much of this 'early' trafficking was as amateurish as it sounds. Traffickers promoted and consumed their wares with little sense of being part of a criminal population. Most of this generation of small-time importers ceased their involvement when professional career criminals moved into the business. A few inspired nonconformists in the 'Mr Nice' mould continued to mount operations, never quite acknowledging that, although they themselves might have been opposed to violence and dealing in 'hard' drugs, some of the people with whom they were obliged to do business had no qualms about the substances they sold or the way non-legal contracts were enforced. The killing of a customs officer in London by cannabis importers in the late 1970s proved to be a marker for this accelerating trend.

Organising for crime

While some cannabis traders may have laid claim to a measure of entrepreneurial idealism, the heroin business was always about money for the processors and traders, and survival for the peasants. The profits to be made from refining and transporting the drug required high levels of professionalism and ruthlessness in equal measure.

French networks dominated the heroin traffic to the United States throughout the 1960s, buying from Turkish opium and morphine base producers in the eastern Mediterranean and selling refined heroin to North American bulk

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purchasers.⁵ But intense enforcement pressure, a declining ability on the part of the traffickers to call in debts from elements within the French power elite, and the growing capacity of the Sicilian *Cosa Nostra* to buy, refine, and deliver heroin directly to US mafia families, resulted in the marginalisation of this so-called "French connection" by the early 1970s.

An equally significant watershed was the development and rapid expansion of heroin production in Turkey, Iran and, most importantly, Afghanistan and Pakistan. By the late 1970s, South West Asian production was fully onstream and was to determine the nature of heroin markets in most of Europe for the next 20 years. South East Asian 'No 3 smoking heroin', which had cornered the market between 1972 and 1978, was largely superseded by South West Asian 'brown', although 'injectable No 4 Thai white' remained a quality benchmark until the 1990s.⁶

As for cocaine, until the mid-seventies its traffickers were often profit-minded individualists with a 'keen enthusiasm' for their product's stimulant properties (like their cannabis counterparts). Robert Sabbag's book *Snowblind* encapsulates the zeitgeist of the period as does Adler's study, *Wheeling and Dealing*.^{7,8} While exiled Cuban criminals, caricatured by Al Pacino in *Scarface*, had always had an interest in trafficking since the Bay of Pigs,⁹ the shape of things to come did not really manifest itself until a vicious Cuban-Colombian shooting war broke out in Florida in 1979. It was around that time that the first reports of freebase cocaine piping – prefiguring the arrival of crack 'proper' by some five or

six years – began filtering through. From then on, the roles played by Bolivia, Peru, and, most of all, Colombia were to obsess foreign policymakers in the West.

Elsewhere, the war in Afghanistan resulted in a rapid expansion of opium and heroin production to purchase weapons and make profits for insurgents and warlords alike. As with the Contras in Nicaragua, Western policymakers chose to ignore the florid traffic evident in Afghanistan because the mujahedin were at least undermining Soviet power. But on the ground, Russian troops underwent experiences, including the use of heroin, opium and cannabis, not dissimilar to their American counterparts in Vietnam 10 to 15 years previously – and the extended and growing markets for heroin in Europe, Western and Central Asia are to a considerable degree a legacy of the period.

The money trap

During the late 1970s and early 1980s, Sicilian heroin supply to North America proved enormously profitable. The sums of money returning to the island created serious logistical problems common to world traffickers at the time, problems which were eventually to bring the authorities after them.

The problem begins with transactions being mainly paid in cash, there being no tradition of informal banking systems such as those developed by traders in Central and Eastern Asia. Casinos were therefore developed as money 'laundrettes' as were corrupt bank branches and loss-making, rapid turnover businesses such as clubs, restaurants and shops. Straight-forward exchanges of one product for another also took place – such as heroin for cocaine – between European and Latin American traffickers.

The judicial challenge to the power of Sicily's *Cosa Nostra* families took as its starting point the realisation that the island was awash with money in the late 1970s. Investigating magistrates simply decided to follow the money, and trace networks of reciprocity and complicity whose existence had previously been denied or ignored.¹⁰

A similar challenge to the South American cartels (albeit undertaken by the United States) is underway at this very moment, it too taking the money trail as its guide. But it is a difficult trail to follow. The speed of electronic banking can eliminate or blur tell-tale paper trails, and other technical innovations in the smuggling, trading and financing of drugs – let alone the banking system – means that strategies devised by international law enforcement agencies often cannot keep ahead of the game. High profits and ready capital ensure that trafficking, like warfare, provides an enormous incentive to the inventive imagination in the pursuit of effective risk management."

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Nation unto nation . . .

But it is not just about money. Politics is equally important. In fact, the geopolitical dimension of trafficking cannot be overestimated. Illicit opium and coca cultivation and refining thrive best in climates of instability and insurrection. Wars in Indochina and Vietnam both generated and serviced demand, the Afghan war saw significant increases in cultivation, and a trafficker-backed coup in Bolivia in the early 1980s exposed the profound involvement of the local military caste in the whole business. Stateless Kurdish entrepreneurs collaborate with Turkish traffickers whose government they detest, and opium and cannabis cultivation flourish in the Bekaa valley when conflicts heighten. And one need hardly mention the Golden Triangle and the Balkan Route, drug producing and trafficking constants throughout decades of repression and guerilla warfare.

Despite this situation, there is a marked dislocation between the stated opposition of nations to the drug business and their actual behaviour.

The US certification process, generally seen as a marker of international opprobrium, has been used at best selectively against countries that, in America's view, are soft on trafficking. But when other foreign policy considerations take precedence, the documentation actually states that decertification need not take place even when conditions fit the criteria. There is something faintly ludicrous about a nation that has patently failed to control domestic drug use and organised crime being the international arbiter of success or failure against the drug trade.

In the end, it all comes down to politics. The precedence that foreign policy imperatives take over drugs is

most evident in the passive (or sometimes even active) involvement of national intelligence services in the traffic. In South America, 'counter-narcotics' and 'counter-insurgency' are almost interchangeable terms. In fact, in the late seventies a senior Argentinean official welcomed drug prevention monies with the statement that counter-narcotics and counter-insurgency were one and the same thing (he was subsequently exposed as a major cocaine trafficker with close ties to the Argentinean and Bolivian military).

The peace dividend?

Intelligence services in the northern hemisphere have been less interested in the profits, but have certainly benefited from intelligence and input from known suppliers. Since the break-up of the Soviet Union, redundant security operatives – spies to you and me – have found freelance employment in trafficking organisations. In the Balkans, the Middle East and the southern rim of the former Soviet Union, the involvement of professional criminal-



political lobbies and intelligence personnel in the business has become almost routine.¹²

There were a number of further consequences of the disintegration of the Soviet Union, consequences that have had wider repercussions. Drug consumption has increased both in the former republics and in Europe, as social and political controls loosened and new routes developed through Eastern Europe, across former Soviet republics, and through central Asia from Afghanistan and China. Synthetic drug manufacture has also flourished in Poland and the Baltic Republics, where unemployed plant, chemists and marketable skills have been put to imaginative uses.

Such production has competed with ecstasy manufacture close to the Dutch-Belgian border, with the result that an ecstasy tablet bought in Britain for £25 ten years ago will now cost no more than a tenner. In the unlikely event that large-scale agricultural production and trafficking in plant-based drugs ceases to be economic or feasible in the next few years, the local manufacture and distribution of synthetic drugs will transform drug markets as profoundly as the wars in Vietnam and Afghanistan and the implosion of the Soviet Union.

The 'peace dividend' not only obliged former security officials in the east to seek alternative employment, but also impacted on intelligence organisations in the west. The transformation of 'drugs' by the media and politicians into a national security issue has allowed the intelligence



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services to expand into the field so as to justify budgets that had come under increasing scrutiny.¹³ While the objectives of law enforcement agencies are relatively clear, the primary interests of a secret service – even in this age of open government – are inevitably veiled, and the protocols and constraints relating to police and Customs action are less evident in the world of intelligence. In parts of the developing world, such delicate questions do not arise. Military and secret service involvement in drug control, repression and drug trafficking itself tends to be axiomatic.

The oldest profession

This needs to be considered in the very real ongoing debates about the advantages and disadvantages of the drug trade for developing economies. There is undoubtedly increased wealth, but it is not widely spread, often remains offshore or is spent on luxury goods, real estate and marginal services. The national debt may also be reduced, but this is frequently accompanied by civic corruption and military despotism. Granted, investment by traffickers in peasant cultivation leads to modernised technology, but also to increasingly intimidatory and oppressive labour relations. In other words, while the business provides employment, generates income, and may boost licit employment, the greatest profits accrue outside the producer nations,

with an estimated 400 times increase in market value from field to end user.

Furthermore, the 1990s have shown that there is no universal drug market paradigm. Patterns of consumption change as does product availability, according to economic circumstances, weather conditions, geopolitical change, government policies, consumer preferences and simple fashion. Evasive strategies mean that routes may change frequently, although prevailing conduits such as the Balkan overland trail to Europe and the Silk Routes from the East follow patterns that have been set for millennia.

In Europe, at least, a new realism has been adopted by many enforcement agencies, matching the adoption of harm reduction policies initiated to varying degrees in particular cities and regions. The targeting of specific activities, substances and organisations, and the participation in drug policy of other disciplines and professions has been generally well received. However, the profits associated with the global market are such that sophisticated professional organisations will continue to finely calculate costs and benefits, and will be countered by other specialist organisations only with a certain amount of success. Ultimately, it is at local consumer level – rather than the international trafficking one – where success can really be measured ■



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