

Myanmar and the opium trade

Will Dope, Inc. lose control of the Golden Triangle? A profile of the institutions trying to destabilize Myanmar, by Michael and Gail Billington.

Around the world, print and TV media are buzzing about the roles of former President George Bush and Lt. Col. Oliver North in introducing crack cocaine to America's inner cities, given new impetus by a series in the *San Jose Mercury News* which recently reported a part of that story, known by readers of *EIR* for more than a decade. George "kingpin" Bush's 1989 invasion of Panama, and the kidnapping of Gen. Manuel Noriega, for example, were carried out in order to place Cali Cartel-connected banking interests in charge of Panama, turning that nation into a transshipment point and money-laundering center for the cocaine trade.

A similar scenario is now being orchestrated in regard to Myanmar (Burma). As in Panama, where General Noriega was first "assassinated" by the media, which labeled him a drug kingpin (quoting *actual* drug kingpin, George Bush, as their primary source), so the current military government of Myanmar, the State Law and Order Restoration Council (SLORC), is being portrayed as the body primarily responsible for the extensive opium production in northern Myanmar. The truth is quite another story.

The most important point to be made in understanding recent developments in the area of the Golden Triangle, the world's largest opium-producing region, encompassing northern Myanmar and contiguous areas of Thailand, Laos, and China, is that Myanmar has been virtually dragged out of a 15-year period of isolation and xenophobia, by its close relations with Beijing. In 1962, Gen. Ne Win assumed dictatorial power in Burma, declaring the "Burma Way to Socialism," an isolationist, "self-help" form of primitive accumulation (looting) against the peasantry, with some similarities to the disastrous Great Leap Forward in China, which left Burma an economic basket-case.

The People's Republic of China (P.R.C.), following the 1976 death of Mao Zedong and the overthrow of the Maoist Gang of Four, pulled *itself* out of the nightmare of the Great Proletarian Cultural Revolution, a ten-year descent into hell, considered by the Chinese today in much the same way that Germans view the reign of terror under Hitler. For about 13

years, leading up to 1976, the P.R.C. had sponsored an insurgency by the Communist Party of Burma (CPB), in northern Burma, against the Yangon (Rangoon) regime, even sending in Maoist Red Guards to support military operations. China's support was run directly by Kang Sheng, the architect of much of the bloody chaos of the Cultural Revolution.

However, one of Deng Xiaoping's first acts, on taking power in China in 1977, was to end that support to the CPB, establishing ties with Yangon, which were to grow stronger over the years. In 1979, Deng visited Yangon for six days. As China opened up to the world and re-established sanity and economic development, Beijing encouraged Myanmar to follow the same path.

Since 1993, the post-Deng leadership in Beijing, with a close eye on how the destruction of Russia and other ex-Comecon nations has been achieved through their subjection to the looting policies of the International Monetary Fund (IMF), has imposed more careful restrictions on the "free trade" policies of deregulation and privatization, while dramatically expanding its commitment to the infrastructural development of its own extensive interior territories, and to rebuilding the ancient Silk Road connections with Europe, the Middle East, and Africa, through rail-centered development corridors. Beijing encouraged Yangon to open up to its neighbors in the Association of Southeast Asian Nations (ASEAN), while lending Chinese support in cleaning up the insurgent drug armies in the Golden Triangle areas of Myanmar. Considerable progress has been made in that effort.

Beijing and, increasingly, Yangon have begun to enunciate publicly that the future for Eurasia, as a whole, lies in breaking the 150-year stranglehold of Dope, Inc.'s financial control and political manipulation, through the successful execution of the most ambitious nation-building program in history, the Eurasian land-bridge project.

IRI support for the 'democracy' movement

The picture of Myanmar presented to the world through the Western press is of a military dictatorship of the most

tyrannous and murderous character, repressing the democratic aspirations of the people under the leadership of the heroic Aung San Suu Kyi, daughter of the leader of the 1940s Burmese independence movement, and a winner of the Nobel Peace Prize. Without attempting to review the entire history of the opposition in Myanmar, we shall take a look at the international financiers and trainers of the “democrats” who seek to replace the SLORC regime. We find that the strings are pulled by Dope, Inc.

The leading institutional supporter of Aung San Suu Kyi’s “democracy” movement, the National League for Democracy (NLD), is the U.S.-based International Republican Institute. The IRI is a second-generation derivative of the key “quasi-autonomous non-governmental organization,” or “quango,” so liberally abused by then-Vice President George Bush and Oliver North to circumvent Congressional oversight of the gun- and drug-running activities of the Nicaraguan Contras. In 1983, Congress passed legislation establishing the National Endowment for Democracy as a private entity, entitled to Congressional funding, “to strengthen democratic institutions around the world through nongovernmental efforts.” Four “quangos” were set up under the NED legislation: the IRI, as the Republican funding conduit; the National Democratic Institute for International Affairs for the Democrats; the Center for International Enterprise to teach “free market” economics; and the Free Trade Union Institute for Labor.¹

Public disclosure of the use of such “private” channels to fund the Contras’ drug-running activities by members of the National Security Council, under Vice President Bush’s direction, led to the Congressional Iran-Contra hearings, and, almost, to shutting down the NED.

The board of directors of IRI includes the inner circle of “kingpin” Bush’s administration, and the closest business partners of Henry Kissinger: Brent Scowcroft, Bush’s national security adviser; and Lawrence Eagleburger, Bush’s deputy secretary of state, both of whom played important roles in unleashing war in the former Yugoslavia. Bush’s secretary of state, James Baker III, a recipient of the IRI’s Freedom Award, has been key to IRI’s election-monitoring in Mongolia. Baker’s son was a member of the IRI delegation to Russia in 1993. IRI’s president, Lorne Cramer, participated in the fight for Contra funding as a Senate aide, and served in the Bush administration as deputy assistant secretary of state for legislative affairs, and as director of Asian Affairs at the National Security Council.

One leading IRI member, who deserves special mention, is former Secretary of State George Shultz, who in early October was named chairman of a 22-man committee to advise Republican Presidential nominee Robert Dole on economics. Shultz is perhaps the most prominent IRI member to support

drug legalization publicly. In 1989, Shultz told the pro-dope Drug Policy Foundation that he would serve as their point man in that effort.

IRI has particularly targeted the “newly emerging” states of the former Soviet sector, and states along the perimeter of China. In Russia, as elsewhere, IRI is closely allied to the “Conservative Revolution” partisans of the Mont Pelerin Society, promoting the economic looting agenda of deregulation, privatization, and liberalization, which has collapsed industrial output in Russia to 30% of 1989 levels, with disastrous strategic implications. A particular emphasis of the IRI crowd in Russia has been to encourage the growth of the “informal sector,” the politically correct term for the black market and organized crime. The IRI functions as intellectual enforcers for IMF conditionalities, which are placed above the needs of the target nation’s population.

Of particular relevance to Myanmar are two other areas of IRI focus: “election-monitoring” and the role of the military. On March 29, 1995, the vice chairman of the Russian Central Election Commission credited the IRI for providing the commission “the road map” for improving Russian electoral law, while former Bush Attorney General Richard Thornburgh, the man who upheld the kidnapping of a foreign head of state, Panama’s General Noriega, to face trial in the United States, called the IRI’s standing task force of election monitors “an important new check and balance” in Russia.² The IRI advocates eliminating the role of the military in government entirely.

In Asia, the IRI peddles the same British free trade policies, while running training programs in “democratic” electoral processes. Special emphasis is given to liberalization of the financial sector and bringing in the private sector to dictate and limit the financing of infrastructural development, especially in regard to such major regional projects as Mekong River development or reconstructing the Silk Routes. While the Bush and Kissinger networks, who run IRI, maintain a cover of being “old friends” of China, their intent to support British efforts to divide China is evidenced by their destabilizing operations in countries along China’s border, including Myanmar.

In Myanmar, IRI unabashedly supports subversion against the government, which government enjoys formal relations, albeit strained, with the United States. Blaming the government for drug production, and ignoring the progress made over the past years by SLORC in closing down the opium armies, the IRI’s 1995 report writes:

“The source of two-thirds of the heroin entering America, Burma’s dictatorship has driven one of Asia’s most resource-rich nations into poverty over the last 35 years.” After describing the 1988 creation of Aung San Suu Kyi’s NLD and the

1. See “Bush ‘Trojan Horse’ Usurps U.S. Policy Toward Russia,” *EIR*, Aug. 9, 1996 *EIR*, the first in a series of profiles of the International Republican Institute (IRI).

2. For a first-hand report on the consequences of IRI policymaking in Russia, see Roman Bessonov, “IRI’s Friends in Russia: The Anti-Utopia in Power,” *EIR*, Sept. 6, 1996 (part 2 in a series).

military regime's suspension of the 1990 election, the report boasts:

"In 1991, IRI began working with the remnants of the NLD in the Liberated Areas (NLD/LA) on peaceful political methods to restore Burma's democracy. Initially, IRI's program helped the fleeing democrats organize as they formed the National Coalition Government of the Union of Burma in exile, and began telling their story to the rest of the world.

"Since 1994, IRI has helped the NLD reconstitute an underground political network within Myanmar and trained activists in peaceful, nonviolent resistance to the regime. In

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1995, IRI's assistance also enabled the NLD/LA to open an office on Burma's western border to better coordinate political activity among refugees there."

Lest anyone mistakenly interpret that to mean humanitarian aid to starving refugees, the IRI report includes a picture of a few dozen students holding a picture of Aung San Suu Kyi and a banner reading (in English): "Political Defiance Training Course." Standing in the background are three American "trainers." The caption reads: "IRI-trained activists on Burma-Indian border display poster of Aung San Suu Kyi." India made clear its view of this "defiance training," deporting six people who had sought asylum through the National Coalition Government of the Union of Burma in July.

We have, then, the IRI, a leading institution of the international drug lobby, financing and training a movement to take over the largest opium-producing country in the world. The Myanmar government is not unaware of the subversive role of the IRI. On Sept. 2, Col. Kyaw Thein, a leading spokesman for SLORC, told a press conference that the IRI had, since 1993, trained dissidents to "commit subversive acts both within and without the country." He named four individuals, including an IRI representative and a former defense attaché at the U.S. embassy in Yangon, as "mercenaries . . . trying to create chaos and confusion in Myanmar."

Soros is the moneybags—naturally

The further irony lies in who is "telling the NLD's story to the rest of the world": George Soros. Soros, the multibil-

lionaire speculator and champion of "free trade" in eastern Europe and worldwide, is also the leading financier of the premier drug legalization lobby in the United States, the Drug Policy Foundation.

Soros is a primary funder of the global propaganda network for the IRI's operations against Myanmar. Burmanet, the Internet address of the democracy movement, is a Soros creation, as is the "Burma project" in Washington, set up by Soros's Open Society Fund, which publishes the bimonthly *Burma Debate*, a slick journal promoting the NLD. Human Rights Watch, which, along with Amnesty International, is a clearing house for various operations against the Myanmar government, and targeting governments around the world, is largely financed by Soros. At an Oct. 1 press conference, SLORC officials named the Soros Foundation and the IRI as principal funders of the NLD.

Pro-dope moneybags Soros also financed the most recent "definitive study" of Myanmar, *Burma in Revolt—Opium and Insurgency since 1948*, by Bertil Lintner, published by Westview Press in 1994. Lintner has covered Burma for the Dow Jones-owned, Hongkong-based *Far Eastern Economic Review* for the past 16 years. Although he has now been declared *persona non grata* in Myanmar, Lintner has always travelled freely through the insurgent-held territories on the Burmese borders. In 1983, he married a Shan "woman guerrilla soldier" (in his own words), and together, he and his wife have travelled with every drug army in the country, publishing books and articles glorifying the narco-insurgents as "independence fighters." When the Maoist CPB controlled northern Burma, with help from the Chinese Red Guards, between 1963 and the mid-1980s, running 80% of the opium trade, Lintner was there, photographing and promoting their operations, as he has with all the ethnic drug armies.

SLORC's progress

Lintner may be finding it far more difficult to travel freely in the Golden Triangle these days, since SLORC has, over the past two years, succeeded in bringing each of the ethnic drug armies into compliance with conditions of surrender. The only outstanding insurgency is that of the Karen, whose base of operation on the southeastern border with Thailand is outside of the Golden Triangle opium-producing area. The general framework governing the surrender of these armies is that they will continue to function as militia with limited business and administrative rights in their respective ethnic regions, but subservient to the Myanmar Army, which now controls essentially the entire northern region.

The most dramatic such agreement was the surrender of the notorious Shan warlord, Khun Sa, this past spring, and the occupation of the Shan state by the national army. The global anti-government networks have portrayed this deal as a sweetheart contract, whereby the national army will simply get a bigger cut of the profits from the opium trade.

Despite the fact that this claim is sponsored by the pro-drug apparatus, some State Department and other U.S. agency officials, including Secretary of State Warren Christopher, have, unfortunately, adopted such a posture, and have also denounced SLORC for not extraditing Khun Sa to the United States.

Were Khun Sa to "tell the world" about his long career as an opium warlord, there is every reason to believe that he would add several counts to the "drug kingpin" indictment prepared by *EIR* against George Bush, Oliver North, Gen. Richard Secord, and their stable of "deniable" operatives. In 1986, Col. Bo Gritz travelled to Khun Sa's headquarters in the Shan States of Burma, on a mission related to the release of U.S. military personnel missing in action from the 1970s' "dirty little wars" in Laos and Cambodia. In an interview with Gritz, Khun Sa named, as his partners for 20 years in narcotics trafficking, Theodore G. Shackley, deputy director of CIA covert actions under then-Director of Central Intelligence George Bush, and Richard Armitage, former member of Senator Dole's staff, member of President Reagan's campaign staff, assistant secretary of defense in the Reagan-Bush administration, and several-times ambassador. Shackley's career is a virtual connect-the-dots map of "privatized" U.S. intelligence operations going back to the Bay of Pigs. According to some former CIA officials, only about 10% of the actual costs of the "secret war" in Laos were provided by CIA funds. The balance was paid, privately, by Shackley, through proceeds from drug trafficking.³

Colonel Gritz reports, in a videotape entitled "A Nation Betrayed," that Khun Sa offered to destroy his entire 900-ton opium crop. "Boy, is George Bush gonna be thrilled about this!" Gritz said to himself. But upon return to Washington, Gritz was told by NSC staff member Tom Harvey, "Bo, there's no interest here in that."

As for SLORC, it is interested in achieving peace in the country, so as to lay the basis to end the opium trade, through economic development of the Golden Triangle. Establishing peace with the various ethnic minorities is far more important than punishing them for complicity in a drug business, which has *always* been run from outside the country, with the marketing and distribution decisions being made in the board rooms of the banks financing the business, in such places as Hongkong, Singapore, Bangkok, London, and New York.

The Golden Triangle is a crucial strategic, geographical juncture, where India, China, and Southeast Asia meet—one of the primary reasons why, since the 18th century, the British colonial power maintained either overt or covert control over the region. Now that the country is under centralized Yangon control for the first time since before colonization, the Chinese, the Thais, and the rest of Southeast Asia are beginning to

implement the infrastructure development needed to integrate the area into the regional economy, and to build the road and rail grids which will facilitate greater India-China-Southeast Asian economic integration.

It is unlikely that the immense Golden Triangle opium-producing apparatus will be dismantled easily or quickly, or that corruption within SLORC will disappear overnight, but the early indications are that there has been a dramatic curtailment of the drug supply from the region. The supply of heroin from Myanmar into Thailand—the primary distribution route—has collapsed, driving the price up 600%, and causing the large addict population in Thailand to turn to lower-quality imports from Afghanistan. With China now mobilized to reverse the recent resurgence of domestic drug usage—mostly due to drugs from Myanmar—there is a real opportunity, for the first time since Britain's Opium Wars against Asia, to eliminate foreign-controlled drug production in the Golden Triangle.

In mid-September, the government-run newspaper *New Light of Myanmar* made clear that this historical colonial control and manipulation of the opium trade is at the heart of the attacks on both Yangon and Beijing. In the first of a two-part series, titled the "Long-Term War," author Boe Deva details how Anglo-American colonial interests created the Asian opium/heroin trade, stating explicitly that the policy of British and American oligarchical interests, from the time of the Opium Wars through to the present, has been motivated by a deep-seated fear of China's potential. "They do have a firm program and policy. It is to blockade China on all sides." And control of the drug trade is their principal weapon.

Who is Aung San Suu Kyi?

Ending Dope, Inc.'s rule depends on regional cooperation for both opium suppression and reconstructing the drug-dependent economies of the region. But the whole world knows, from Sarajevo to Panama to Baghdad, that "kingpin Bush" has no compunction over spilling someone else's blood, and then weeping crocodile tears. Dope, Inc.'s support for "democracy" is a cynical ploy. In this case, the NLD and, particularly, Aung San Suu Kyi, are put up front as martyrs in freedom's cause. Suu Kyi is married to Michael Aris, a British citizen, who is a fellow at St. Antony's College, Oxford, with expertise in the Himalayan border states between China and India, and to Burma's north, Nepal and Bhutan. Both of those countries have likewise been heavily targetted by the IRI's "democratizers" and Prince Philip's World Wide Fund for Nature.

Prior to 1988, Aung San Suu Kyi resided with her family in England. She returned to Burma to care for her ailing mother, arriving not long before the 1988 student demonstrations. With little public political experience, other than her strong identification with her father, the beloved Aung San, who was assassinated when Suu Kyi was only two, she

3. See "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" *EIR Special Report*, September 1996.

emerged as the leader of the NLD. The military government moved against the demonstrators in the summer of 1988, and placed Suu Kyi under house arrest in 1989. In 1990, SLORC refused to recognize the outcome of parliamentary elections, won by the NLD.

In 1995, SLORC released Suu Kyi and invited her NLD to participate, along with the various ethnic groups and other associations in a convention to draft a new constitution. Within weeks, however, the NLD withdrew from the talks, demanding *a priori* agreement from SLORC that the military would not play a role in the future government. SLORC has made very clear that, while they are willing to relinquish power, conditions in the country require a government on the model of Indonesia, in which the military, constitutionally, plays a role in government. This model, which has brought Indonesia (the fourth-largest nation in the world), relatively successfully through the process of modernization and industrialization, is unacceptable to Suu Kyi, and emphatically so to those Dope, Inc. backers of the NLD.

Instead, Aung San Suu Kyi called for an international boycott of Myanmar, an end to all foreign investment, and continuation of Myanmar's isolation. Were such a policy to be implemented, the potential for ending drug production in the Golden Triangle would evaporate, the now-pacified ethnic drug armies would quickly revert to opium for economic survival, and Dope, Inc. would remain firmly in business. The boycott effort has led to a few corporate pull-outs, although other Asian countries have quickly moved to fill the gap. Nonetheless, a severe shortage of foreign exchange, which caused Yangon to default on crucial oil payments in July and to devalue the kyat, appears to have been aggravated by the boycott effort.

The targetting of the largest infrastructure project in Myanmar by pro-boycott circles is symptomatic of the bigger, regional issue at stake. On Oct. 2, a lawsuit was filed in U.S. federal court against the oil companies Unocal of California and France's Total, and the military junta, SLORC, to stop the \$1.2 billion Yadana natural gasline project, which would link the Gulf of Thailand to the Andaman Sea. London *Financial Times* correspondent Ted Bardacke reported that the crux of the suit is far more subtle than the allegation that forced labor were used in the project, a claim vehemently denied by the oil companies. Bardacke says the suit alleges that "when Total and Unocal agreed to let Burmese troops, *whose systematic use of forced labor is well-documented*, guard the pipeline area, *they should have known human rights violations would occur*, and are therefore responsible for them" (emphasis added). This is a blanket condemnation of government participation in any such projects.

William Weld and the Dope, Inc. families

One of the most prominent supporters of Suu Kyi's "boycott" movement is himself an "old hand" in Dope, Inc.'s apparatus, William Weld, the Republican governor of Massachu-

setts (see article, p. 64). Weld is a scion of one of those Boston Brahmin families who built their fortunes as junior partners in Britain's Opium War against China, engaged in clipper-ship trafficking in narcotics. Weld, personally, is an expert in money-laundering, having cut a generous plea bargain with the Bank of Boston in the 1980s. As U.S. Attorney in Boston, Weld gave the bank a slap on the wrist fine of half a million dollars, after they were caught, red-handed, laundering \$2.2 billion in drug profits. Weld imposed no personal, criminal liability on the Bank's officers, and hardly dented the Bank's ill-gotten assets.

As head of the Criminal Division of the U.S. Department of Justice, under the second Reagan-Bush administration, Weld repeatedly stymied Congressional investigations into Contra drug-running. Instead, Weld used his office to target America's most out-spoken adversary of "the families" running international narcotics, overseeing the fraudulent prosecution and political witchhunt against Lyndon LaRouche and his associates, including author Michael Billington. In 1978, LaRouche commissioned the book *Dope, Inc.*, which named those individuals and institutions behind the multitrillion-dollar drug business.

Weld is the first governor to sign into law a bill that bars an American state—the Commonwealth of Massachusetts—from conducting business with any firm that is operating in Myanmar. Weld's action has inspired others among the Conservative Revolutionaries in the U.S. Congress to impose similar measures on U.S. foreign policy toward Myanmar. On Sept. 27, the U.S. Congress passed the 1997 Appropriations Bill, which includes the Cohen Amendment, giving President Clinton the power to impose sanctions on Myanmar in the event of further deterioration in the human rights situation, specifically, in the event of the re-arrest or exile of Aung San Suu Kyi.

Up until recently, President Clinton had shown due restraint, in deference to the wise counsel he has received from the governments of U.S. allies in Southeast Asia and East Asia, whose policy of "constructive engagement," is precisely aimed at drawing Myanmar out of its isolation. However, pressure is building, in this pre-election period, to "win points." President Clinton's Oct. 3 declaration, imposing visa restrictions on individual members of SLORC and family members seeking entry into the United States, reflects that pressure.

What is required of the United States is two-fold: First, there must be a clean break with "kingpin Bush's" role in drug trafficking, including investigation and prosecution, a clean sweep of the permanent bureaucracy, particularly in the U.S. Department of Justice, which protected such "off-the-shelf, privatized" operations. Second, full U.S. commitment is required to the grand-scale regional infrastructure development necessary to integrate Myanmar and all of Southeast Asia, into the Eurasian "Silk Route" policies, a process that shall break the narcotic reign of Dope, Inc. permanently.