The Costs of Covert Warfare: Airpower, Drugs, and Warlords in the Conduct of U.S Foreign Policy

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The Costs of Covert Warfare

Airpower, Drugs, and Warlords in the Conduct of U.S. Foreign Policy

Alfred W. McCoy

Over the last fifty years the United States has fought four covert wars by using a unique combination of special operations and airpower as a substitute for regular ground troops. Such covert wars are removed from Congressional oversight and conventional diplomacy. Their battlegrounds become the loci of political instability. In highland Asia, while these covert wars are being fought, CIA protection transforms tribal warlords into powerful drug lords linked to international markets. Arguably, every nation needs an intelligence service to warn of future dangers. But should this nation have the right, under U.S. or international law, to conduct its foreign policy through such clandestine operations?

In his address to Congress after the events of September 11, 2001, President George W. Bush told the nation that America’s current war against terrorism would be like no other our nation had ever fought. On this point Mr. Bush seemed ill-advised. Our ongoing war in Afghanistan is the logical outcome of a succession of covert wars that the United States has fought along the mountain rim of Asia since the end of World War II.

Looking back on the long history of American intervention in highland Asia, there are two particularly troubling aspects: first, the rise of a problematic doctrine of covert warfare; and, second, a contradictory relationship to the global drug trade. Through four secret wars fought over the span of fifty years, the United States has developed a covert-warfare doctrine that combines special-operations forces with airpower. In the thirty years since the end of the Vietnam War, this use of airpower as a substitute for infantry has placed the United States at increasing variance with international law in a way that one day risks outright violation. More broadly, the conduct of foreign policy through covert operations removes these secret wars from both Congressional oversight and conventional diplomacy, leaving their battlegrounds black holes of political instability — with profound regional and global ramifications.

In highland Asia, opium has proven the most sensitive index of such instability. While these covert wars are being fought, CIA protection transforms tribal warlords into powerful drug lords linked to international markets. In the wasteland that is the aftermath of such wars, only opium seems to flower, creating regions and whole nations with a lasting dependence on the international drug traffic.

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Laos in the 1960s

Under its Cold War doctrine of containing communism, the United States, through its Central Intelligence Agency (CIA), fought a succession of secret wars in highland Asia. In the late 1940s, the Iron Curtain came crashing down across the Asian landmass. To contain Soviet and Chinese expansion, the United States mounted covert operations along communism’s soft underbelly — a highland rim that stretched for five thousand miles across Asia from Turkey to Thailand.

Along this strategic frontier, geopolitics has produced recurring eruptions at two flash points — Burma and Laos in the east and Afghanistan in the west. For forty years, the CIA fought a succession of covert wars at these two points — at Burma during the 1950s, Laos in the 1960s, and Afghanistan in the 1980s. In one of history’s accidents, moreover, the Iron Curtain had fallen along Asia’s historic opium zone, drawing the CIA into ambiguous alliances with the region’s highland warlords.

In Laos from 1960 to 1974, the United States fought the longest and largest of these covert wars, discovering new military doctrines that have since become central to its foreign policy. Since this war was classified then and is, even now, little studied, most Americans are unaware of the lessons we learned in Laos and their lasting influence on the later conduct of U.S. foreign policy.

The CIA’s secret war in Laos was an unplanned byproduct of America’s bipartisan foreign policy during the Cold War. At the start of U.S. intervention in Indochina in 1955, the Eisenhower administration, mindful of the region’s geopolitical imperatives, had made Laos its primary bastion against communist infiltration into Southeast Asia. Unwilling to continue Eisenhower’s Cold War confrontation over Laos, President Kennedy pulled back by signing a treaty with Moscow in 1962 to neutralize Laos and relied instead on counterinsurgency inside South Vietnam to contain communism. In effect, Kennedy withdrew conventional forces from Laos in favor of his new special warfare doctrine of using American advisers to train the South Vietnamese in counterinsurgency. In retrospect, Kennedy’s withdrawal from Laos was a strategic miscalculation.¹ When the Vietnam War started two years later in 1964, there was no longer any restraint on North Vietnamese infiltration through Laos into South Vietnam. Washington was treaty-bound to respect Laos’s neutrality and thus found itself in an ambiguous, even contradictory, position — forced to intervene in a country where it could no longer intervene.²

Ambiguity forced improvisation, leading the United States to develop a new military doctrine that substituted tribal mercenaries and massive airpower for the conventional ground forces the United States was now barred from deploying inside Laos. For more than a decade, the CIA led a secret army of thirty thousand Hmong mercenaries in covert war against communist guerrillas in the rugged mountains of northern Laos — a formative lesson for the Agency in the use of tribal warriors.³

Simultaneously, the U.S. Air Force fought the largest air war in military history over Laos, dropping 2.1 million tons of bombs on this tiny, impoverished nation — an amount equivalent to that dropped on Germany and Japan by the Allied powers in all of World War II. Although the bulk of this tonnage was dropped on the Ho Chi Minh trail in the jungles of southern Laos, the U.S. Air Force still blocked the annual communist offensives on the capital Vientiane by dropping five hundred thousand tons on populated areas surrounding the strategic Plain of Jars in northern Laos.⁴

This massive bombardment of northern Laos — over three times the conventional
tonnage dropped on Japan in World War II — made a wasteland of this narrow, forty-mile plain and its fifty thousand peasants, bamboo villages, market towns, and medieval Buddhist temples. “By 1968 the intensity of the bombings was such that no organized life was possible in the villages,” wrote UN advisor George Chapelier who interviewed refugees from this air war. “The villages moved . . . deeper and deeper into the forest as the bombing reached its peak in 1969 when jet planes came daily and destroyed all stationery structures. Nothing was left standing. The villagers lived in trenches and holes or in caves. They farmed only at night. All of the informants, without any exception, had his village completely destroyed.”

In 1971, an American development volunteer working in Laos, Fred Branfman, interviewed refugees from this air war on the Plain of Jars who expressed a deep sense of suffering, sadness, and displacement. A 33-year-old woman spoke with emotion of her experience of peasant life under this secret air war:

I saw this in the village of my birth, as every day and every night the planes came to drop bombs on us. We lived in holes to protect our lives . . . I saw my cousin die in the field of death. My heart was most disturbed and my voice called out loudly as I ran to the houses. Thus, I saw life and death for the people on account of the war of many airplanes in the region of Xieng Khouang. Until there were no houses at all. And the cows and the buffalo were dead. Until everything was leveled and you could see only the red, red ground. I think of this time and still I am afraid.

While the bombs still rained, some American intellectuals criticized this air war, branding it a “war crime.” After flying over the Plain of Jars in early 1972, a correspondent for the Far Eastern Economic Review, T. D. Allman, termed the bombing there “an operation that lies well down the spectrum between a military scandal and a provable war crime.” A group of Cornell University scientists, led by physics professor Raphael Littauer and astronomer Carl Sagan, reported that U.S. bombing violated the principle under international law “that a reasonable proportionality exist between the damage caused and the military gain sought.” In his preface to this report, the Pulitzer Prize–winning New York Times reporter Neil Sheehan concluded: “The air war may constitute a massive war crime by the American government and its leaders.”

At the time, these voices were ignored. Today they have largely been forgotten. In the real world of the 1970s, there was no international body with the authority, much less the will, to call the United States to account for these crimes. By fighting what became history’s largest air war, the Pentagon made an important discovery. Through this massive bombing, the U.S. Air Force overturned the military dictum that only infantry can take and hold ground. Freed from the usual restraints, the Air Force was able to conduct an ad hoc experiment in aerial bombardment. “When the situation got close to desperate in June [1969] in Laos,” Major General Robert L. Petit, deputy commander of the 7/13 Air Force, based in Udorn, Thailand, told the U.S. Congress, “certain restrictions were removed and we were allowed to use air power in a little freer manner. We also had available at this time what might be termed a sufficient quantity of air power.” In effect, to compensate for the absence of ground forces, this new strategy required an aerial bombardment of unprecedented intensity, producing indiscriminate destruction that defied international law with regard to proportionality between damage and objective.

Significantly, this air-war strategy gained an additional advantage in the post-Vietnam era — minimization of American casualties as a military goal. In the decades since the end of the Vietnam War with its heavy, senseless U.S. casualties,
the American people have become strongly adverse to even moderate troop losses, making a new force-projection strategy a domestic political imperative. In this air war over Laos, the United States had discovered a strategy for intervention without infantry and their inevitable casualties that has since become central to U.S. foreign policy in Iraq, Bosnia, Kosovo, and, most recently, Afghanistan.

In the quarter century since the Vietnam War, this strategy has placed the United States at variance with international law that, under Protocol I of the Geneva Convention, banned indiscriminate military force against a civilian society. U.S. representatives signed Protocol I to the Geneva Convention in 1977, but a decade later, President Reagan, under pressure from the Pentagon, recommended that the Senate reject this treaty. In the thirty years since the United States bombed civilian villages in Laos, Washington has become wedded to an air war strategy that weakens its leadership in the campaign for an international rule of law.

Of equal importance, in fighting this secret war in Laos from 1960–74, the CIA supplemented its airpower with a secret army of 30,000 Hmong — tough highlanders whose only cash crop was opium. Through its reliance upon an ethnic warlord to mobilize these mercenaries, the Agency became implicated in an opium trade that weakened the household economy of its tribal allies.

With only one U.S. adviser for every thousand tribal fighters in the mountains of northern Laos, the Agency lacked the manpower for direct command and instead relied upon a single warlord, a minor officer named Major Vang Pao, to mobilize the Hmong villagers for this bloody secret war. To prosecute a war that offered the ordinary Hmong soldier little more than rice and death, the CIA gave its chosen warlord control over all air transport into the tribal villages scattered across the mountain tops of northern Laos — both the shipment of rice, the tribe’s main subsistence commodity, into the villages and the transport of opium, the tribe’s only cash crop, out to markets in Vientiane and beyond. With a chokehold over the two economic essentials of every Hmong household after 1965, General Vang Pao, now commanding both the CIA’s Armée Clandestine and the Royal Lao Army’s Military Region II, was soon transformed into a powerful warlord. With such control, the CIA’s Armée Clandestine could impose a central command over this disparate tribe and extract boy soldiers from remote villages for slaughter in a secret war that was, for the Hmong, not only endless but hopeless.

Since opium thus reinforced the authority of its tribal leaders, pragmatism dictated that the CIA should tolerate the drug traffic. When Hmong officers loaded opium on the CIA’s helicopters and the commander-in-chief of the Royal Lao Army, the genial General Ouane Rattikone, opened the world’s largest heroin laboratory, the Agency was silent. In a secret internal report compiled in 1972, the CIA’s Inspector General expressed “some concern” that “local officials with whom we are in contact... have been or may be still involved in one way or another in the drug business. What to do about these people is a particularly troublesome problem, in view of its implications for some of our operations, particularly in Laos.” The Inspector identified some problematic military allies whose activities may explain the reasons for the Agency’s silence: “The past involvement of many of these officers in drugs is well known, yet their goodwill... considerably facilitates the military activities of Agency-supported irregulars.”

Instead of trying to restrain drug trafficking by its Laotian assets, the Agency engaged in concealment and cover-up. When I went to Laos to investigate the drug trade in 1971, the Lao army’s commander, General Ouane, cordially opened his opium accounts for examination, but the U.S. Embassy insisted that this same gen-
eral had never been involved in the drug trade. When I was in a remote highland village investigating Hmong opium shipments on the Agency’s helicopters, CIA mercenaries ambushed my research team. Several days later, a CIA operative threatened to murder my Lao interpreter unless I abandoned my investigation. When my manuscript was in press, Cord Meyer, Jr., the CIA’s director of plans (a synonym for covert operations), visited my publisher’s offices and insisted, unsuccessfully, that my book be suppressed.\(^{14}\)

The consequences of such complicity detracted from the overall U.S. war effort in Vietnam. Heroin from these Laotian laboratories was smuggled into South Vietnam where, according to a White House survey, 34 percent of U.S. troops were addicted by 1971.\(^{15}\) If we accept this figure, then there were some eighty thousand American heroin addicts in South Vietnam, far more than the estimated sixty-eight thousand addicts back in the United States — and all supplied by America’s covert warfare allies.\(^{16}\) After U.S. combat forces left Vietnam, Southeast Asian syndicates followed the troops home and were, by 1974, supplying a quarter of U.S. demand with Golden Triangle heroin.

In Laos, we can see most clearly the problems involved in the CIA’s use of warlords to mobilize tribal armies. Leaders like General Ouane Rattikone exploited the CIA alliance to become drug lords, expanding opium production and exporting refined heroin to international markets. Since ruthless drug lords made effective anti-communist allies and heroin profits amplified their power, CIA agents did not tamper with the requisites of success in such delicate covert operations.

When the United States withdrew from Laos in 1974, it left behind a covert-warfare wasteland of the kind that we would see a decade later in Afghanistan. While the United States ended its conventional war in South Vietnam with a formal treaty that allowed for resolution of key issues like POWs, Washington quietly retreated from its covert battleground in Laos without any formal negotiations — whether for the return of any American POWs or for postwar reconstruction. Statistics can only begin to describe the traumatic impact of this massive covert war upon an impoverished Laotian society — over two tons of bombs dropped per inhabitant, an estimated 200,000 dead, some 3,500 villages destroyed inside the former communist zone, and refugee displacement of some 750,000 people, a quarter of the population. After a decade of bombing, northern Laos was covered with untold numbers of anti-personnel bomblets that still, even today, kill and maim hundreds every year.\(^{17}\)

This weakened, traumatized society was captured by a harsh communist regime that still holds power. Hill farmers continued to grow opium under socialism, and, during the 1990s, Laos would become the world’s third largest producer.\(^{18}\) But contained between stable states — China, Vietnam, and Thailand — Laos’s trauma, in striking contrast to Afghanistan’s a decade later, did not ramify beyond its borders.

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**Afghanistan in the 1980s**

The CIA’s third covert war along the Asian rim began in 1979, when the Soviet Union invaded Afghanistan to save its client regime in Kabul. Seeing an opportunity to wound its enemy, Washington worked with Pakistan in a ten-year war to drive the Soviets out of Afghanistan. Instead of fighting this war directly as it had in Laos, the United States subcontracted much of its covert operations to Pakistan’s Inter-Service Intelligence, or ISI, which would grow, through this operation, into an
enormously powerful and problematic force in the region.

When the ISI proposed its Afghan client, Gulbuddin Hekmatyar, as overall leader of the anti-Soviet resistance at its start in 1979, Washington — with few alternatives and less intelligence — agreed. Over the next ten years, the CIA supplied some $2 billion to Afghanistan’s mujahedin through ISI, giving half to Hekmatyar — a violent fundamentalist warlord who threw acid in the faces of unveiled Afghan women, murdered rival leaders, and dominated Afghanistan’s heroin trade. Once again, the CIA was mounting a major covert war in the remote highlands of the Asian opium zone. And, as it had done in Laos, the CIA fought this Afghan war through a single local commander, making its success synonymous with his power. Under such circumstances, the CIA had little leverage when its ally decided to exploit a covert operation to become a drug lord.

Within two years, ISI’s covert supply system for delivering CIA arms to Afghan rebels had been inverted to move opium from Afghanistan’s guerrilla zones, through heroin laboratories in Pakistan’s North West Frontier Province, and then into international markets. As the mujahedin captured prime agricultural areas inside Afghanistan during the early 1980s, they pressed their peasant supporters to grow poppies as a revolutionary tax — raising production tenfold from 250 tons in 1981 to 2,000 tons in 1990. Once the mujahedin brought the opium across the border, they sold it to Pakistani heroin refiners who operated under the protection of ISI’s General Fazle Huq, governor of Pakistan’s North West Frontier Province. By 1988, there were an estimated one hundred to two hundred heroin refineries in the province’s Khyber district alone.

Although this region had zero heroin production in the mid 1970s, by 1981 Pakistan had become the world’s largest heroin producer. Reporting from Tehran in the mid 1970s, U.S. Ambassador Richard Helms, the former CIA director, insisted that there was no heroin production in this region — only a localized opium trade. In 1981, by contrast, the U.S. Attorney General, William French Smith, announced that Pakistan was the source of 60 percent of the illicit American supply. Across Europe, Afghan-Pakistani heroin captured an even larger share of local markets. In Pakistan itself the number of heroin addicts rose from near zero in 1979 to 5,000 in 1980, 70,000 in 1983 and then, in the words of Pakistan’s own Narcotics Control Board, went “completely out of hand” to over 1.3 million addicts in 1985.

At the outset of this operation in 1983, Washington’s implicit choice to sacrifice the Drug War in order to fight the Cold War was articulated clearly during Congressional hearings over the Reagan administration’s request for $583 million in aid for Pakistan. In his testimony, Dominick DiCarlo, assistant secretary of state for narcotics, stated that General Fazle Haq, ISI’s warlord of the North West Frontier, was pursuing opium eradication and warned that pressing our ally further on the issue would “be disastrous.”

With seventeen agents and a budget of $20 million between 1985 and 1988, the U.S. Drug Enforcement Administration (DEA) unit in Islamabad did not mount any serious investigations or participate in any major arrests while the CIA was operating in the North West Frontier — making the Afghanistan-Pakistan border, in effect, an enforcement-free zone. Indeed, in 1988, the U.S. Government Accounting Office reported that “not a single significant international Pakistani trafficker is known to have been imprisoned prior to 1984,” and those jailed after that date “were quietly released after serving a few months.” In May 1990, as the CIA operation was ending, the Washington Post broke the media silence on this sensitive subject by publishing a page-one article, charging that the CIA’s Afghan ally, Hekmatyar, was
operating heroin laboratories in Pakistan under the protection of ISI. 27

The former CIA director of the Afghan operation, Charles Cogan, has since admitted that his Agency had sacrificed the Drug War to fight the Cold War. “Our main mission was to do as much damage as possible to the Soviets,” Cogan told Australian television in 1995. “We didn’t really have the resources or the time to devote to an investigation of the drug trade. I don’t think that we need to apologize for this. Every situation has its fallout... There was fallout in terms of drugs, yes. But the main objective was accomplished. The Soviets left Afghanistan.” 28

Since the United States had fought this war in Afghanistan covertly through the CIA, all the normal diplomatic processes of post war reconstruction were aborted and the country was simply abandoned. After investing $2 billion in Afghanistan’s destruction, Washington refused to invest any diplomatic or financial capital in its reconstruction. In effect, Washington just walked away, leaving Afghanistan deeply destabilized, with 1.5 million dead, four million refugees, ten million land mines that killed and wounded 800,000 people, and well-armed tribal warlords primed to fight for land and power.29

Through this covert war, Pakistan was also destabilized by narco-politics that corrupted the already weak democratic forces; an intelligence service, the ISI, that had gained, through its alliance with the CIA and control over the heroin trade, unprecedented power inside the military; and radical Islamic parties working with the ISI to fight Pakistan’s continuing covert wars in Afghanistan and Kashmir. After the United States withdrew, Pakistan continued to pursue its long-term goal inside Afghanistan of installing a Pushtun-dominated client regime in Kabul.

Afghanistan in the 1990s

During the 1990s, the aftermath of this covert war in Afghanistan and the simultaneous breakup of the Soviet Union combined to produce a decade of dramatic changes in Central Asia’s drug traffic. As Afghanistan’s opium production climbed relentlessly toward a record harvest of 4,600 tons in 1999, this war-ravaged land became history’s first opium monocrop — that is, the first monocultural nation with much of its land, capital, water, and labor dedicated to the production of opium. Although the country was ravaged by war, its concentration of surviving resources in poppy cultivation was so intense that Afghanistan was soon producing 75 percent of the world’s heroin.30

These rising heroin exports also financed a bloody civil war inside Afghanistan and fueled an eruption of ethnic insurgency across a 3,000-mile swath from Central Asia to the Balkans — in Uzbekistan, North Ossetia, Chechnya, Georgia, Kosovo, and Bosnia. When the United States intervened in Afghanistan again at the end of this decade, it would find that its long-term goal of rebuilding stability was greatly complicated by the fallout from its last covert war of the 1980s.

During the 1990s, Afghanistan’s soaring opium harvest fueled an international smuggling trade that knitted Central Asia, Russia, and Europe into a vast illicit market of arms, drugs, and money laundering — with drugs moving west toward Europe, while guns, money, and precursor chemicals headed east across Central Asia. In this 3,000-mile journey toward Europe by truck, camel, air, and sea, narcotics swept westward with stunning speed across a dozen boundaries, almost immune to interdiction or interference.

In 1998, the UN estimated that 42 percent of Afghanistan’s harvest fed European and other distant markets, but the balance, 58 percent, sustained addicts within the...
region — three million in Iran, another two million in Pakistan, and lesser numbers in Tajikistan, Kyrgyzstan, and Kazakhstan. Between 1990 and 1997, Iran’s opium seizures along its Afghan border surged from twenty-one to one hundred sixty-two metric tons, forcing Tehran to close the border in 1998.

After Iran and Pakistan absorbed the bulk of Afghanistan’s opium harvest, the balance joined the traffic of some two hundred trucks moving northward daily from Jalalabad and Kabul toward the Tajikistan frontier — the first stage in a complex traffic that provided 90 percent of Europe’s heroin supply during the 1990s. Once across the Caspian Sea, Central Asia’s diffuse routes merged as they entered the Caucasus with its volatile mix of contested boundaries, ethnic insurgency, local mafias, and criminal clans. From the Caucasus, drug shipments moved around and across the Black Sea into Turkey; and from there, now as refined heroin, into the Balkans where rival ethnic militias used drug profits to purchase arms and pay troops.

During the mid 1990s, within Serbia and its satellite states, the notorious “Arkan” (Zeljko Raznatovic), one of several narco-nationalists backed by Belgrade’s state security, used drugs, contraband, and counterfeiting to finance his “Scorpion” gang that terrorized Kosovo and murdered rival Kosovar drug dealers.

From Skopje, Pristina, and Tirana, a Kosovar criminal diaspora smuggled heroin across the Adriatic into Western Europe, where Albanian exiles have, since the early 1990s, used drug profits to purchase Czech and Swiss arms for shipment back to Kosovo for the separatist guerrillas of the Kosovo Liberation Army (KLA). Even after the Kumanovo agreement of June 1999 settled the Kosovo conflict, the former commanders of the KLA, both local clans and aspiring national leaders, continued to dominate the narcotics traffic through the Balkans to Europe. In Switzerland and the Czech Republic, Kosovars controlled the local heroin trade, producing notorious criminals like Princ Dobroshi, one of Europe’s leading traffickers who used his heroin profits to purchase arms for the KLA until his capture in March 1999.

Across these vast distances, ad hoc alliances within ethnic diasporas provided the criminal linkages to move drugs, guns, and cash — Kosovars scattered from Geneva to Macedonia; Turks from Berlin to Kazakhstan; Armenians from Moscow to Lebanon; Azerbaijans from Sumgait to Kyrgyzstan; and Chechens from Baku to Kazakhstan. In the cities that served as trading posts in this traffic — Osh, Tashkent, Samarkand, Baku, Tbilissi, Skopje, Pristina, and Tirana — extraordinary profits from drugs and guns have produced mafia gangs, criminal diasporas, tribal warlords, and rebel armies.

Wherever this traffic touched ground, the illicit enterprise quickly ramified through drug production, official corruption, mass addiction, and HIV infection. The northern routes toward Russia touch ground in Kyrgyzstan where they have fostered a lethal mix of intravenous injection and HIV infection, with 32 to 49 percent of all addicts in Osh sero-positive by October 2000. In releasing the UN’s annual AIDS review in November 2001, its program director, Dr. Peter Piot, highlighted an “explosion” of HIV from Eastern Europe to Central Asia with 250,000 new infections, largely from injected drugs, raising the total of those who are HIV-positive to over a million.

During the 1980s, this flood of drug money had transformed Pakistan into a “narco-state” — corroding already weak democratic institutions and contributing to the later collapse of the governments under Benazir Bhutto (1988–90) and Nawaz Sharif (1990–93). Both were funded by drug lords whose unprecedented power came from a black-market commerce that accounted for some 30 to 50 percent of
Pakistan’s economy. With profits from its role as the CIA’s intermediary and a continuing income from the Afghan-Pakistan heroin traffic, Pakistan’s ISI won increased influence within the military, allowing it the autonomy to continue covert wars inside Afghanistan and Kashmir in alliance with militant Muslim parties.\(^{38}\)

Following the withdrawal of the United States and Soviet Union from Afghanistan in 1992, Afghan rebels, armed with opium profits, plunged into a devastating civil war that ravaged an already weakened society. When the independent Northern Alliance forces took Kabul in 1992, Pakistan first backed its client Hekmatyar in two years of shelling and rocketing Kabul that left the capital ruined and some fifty thousand dead.\(^{39}\) During this period of intensive civil war from 1992 to 1994, ruthless local warlords emerged to combine arms and opium in a brutal struggle for local power — almost as if the soil had been sown with dragons’ teeth.

When Hekmatyar failed to take power, Pakistan’s ISI armed a new force, the Taliban, that captured Kabul in September 1996 and then battled the Northern Alliance, with Pakistan’s support, for control of the valleys beyond. During this protracted civil war, rival factions used opium to finance the fighting.\(^{40}\)

After growing tenfold during the covert war of the 1980s, Afghanistan’s opium harvest then doubled again during the civil war of the 1990s, reaching a record 4,600 tons in 1999.\(^{41}\) During these two decades of warfare, Afghanistan was transformed from a diverse agricultural system — with herding, orchards, and sixty-two field crops — into the world’s first opium monocrop. With much of its arable land, labor, water, and capital devoted to opium, the drug trade became the dominant economic force shaping this nation’s destiny. These twenty years of fighting, in effect, devastated Afghanistan’s society and ecology. By 1992, fourteen years of covert and civil warfare had left behind — in a population of some 23 million — about 1.5 million dead, 4.5 million refugees, a full third of the total population displaced, and rural subsistence economies “deliberately destroyed.”\(^{42}\)

Lying at the northern extremity of the monsoon where the rain clouds are squeezed dry, Afghanistan is an arid land with a delicate human ecology that could not recover, unaided, from such unprecedented devastation. When the covert war started in 1979, the country’s fragile ecosystem was already straining to carry a heavy population through a delicate balance of annual field crops, orchards, and herding. In these dry mountains where irrigation relies on snowmelt and droughts are regular, Afghan societies had long favored tree crops — walnut, pistachio, and mulberry — since they root deep, resist drought, and serve as famine relief in the periodic dry years. In the northern Nuristan Valley, for example, one walnut tree could sustain an adult for a full year.\(^{43}\) In the early 1970s, a survey of 410 villages on the Shamali Plain near Kabul found that 91 percent grew wheat and 72 percent tended mulberry trees.\(^{44}\) During these two decades of war, however, modern firepower ravaged the herds and destroyed orchards that would have survived the traditional warfare of centuries past, crippling this fragile ecology’s capacity for recovery. Moreover, the Taliban, with an unerring instinct for their society’s economic jugular, violated the unwritten rules of traditional warfare by destroying the orchards. In 1999, for example, the Taliban attacked the Northern Alliance’s mass base by cutting down mulberry and walnut trees across a swath of ethnic-Tajik areas on the Shamali Plain, destroying life in once-prosperous villages and creating one hundred thousand refugees.\(^{45}\)

As the strands of postwar devastation wove themselves into a Gordian knot of social, economic, and ecological suffering, opium became the Alexandrine solution. Without any aid to rebuild their ravaged herds and orchards after the covert war of
the 1980s, farmers, including some three million returning refugees, now turned to
opium, a reliable annual crop whose cultivation was already a part of traditional
Afghan agriculture. Since opium required nine times more labor per hectare than the
country’s traditional staple, wheat, poppy cultivation created jobs at a time of high
postwar unemployment. In 1999, opium offered seasonal employment for over a
million Afghans — about a quarter of the potential labor force and possibly half of
those actually employed.  

In this devastated economy, Afghan opium merchants could accumulate capital
rapidly, which they used to provide poor farmers with crop advances equivalent to
over half their annual income — credit critical to the survival of many poor villag-
ers. Finally, in an arid ecosystem with chronic water shortage and periodic
drought, opium had the advantage of needing far less water than food crops such as
wheat.  

After taking power in 1996, the Taliban’s policies provided stimulus, both direct
and indirect, for a nationwide expansion of opium cultivation, doubling production
to a record 4,600 tons in 1999 — equivalent to 75 percent of the world’s heroin. By
eliminating bandits and capricious warlords who preyed upon the opium trade, the
Taliban brought an order that allowed farmers and traders to work in a relatively
stable regulatory environment.

During their first year in power, the Taliban began collecting a 20 percent tax
from the nation’s opium harvest, both opium farmers and heroin refiners, earning
revenues estimated variously at $20 to $100 million. Farmers saw the regime’s
agricultural tax as implicit support for the opium trade and felt encouraged to
expand cultivation. As their commanders occupied the countryside, the Taliban
soon controlled 97 percent of Afghanistan’s opium. In some prime agricultural
districts, particularly in Nangarhar Province, farmers began planting up to 60
percent of their arable land to opium.

In retrospect, however, the Taliban’s most important contribution to the illicit
traffic was its support for the introduction of large-scale heroin refining. As Pakistan
responded to American pressure by eradicating poppy cultivation and closing heroin
refineries during the mid 1990s, heroin production moved westward across the
border from Peshawar, Pakistan, to Jalalabad, capital of Afghanistan’s opium-rich
Nangarhar Province. There the Taliban protected hundreds of heroin labs clustered
around the city in exchange for a modest production tax of $70 per kilogram of
heroin.

Through their field surveys, UN researchers found that the Taliban presided over
regional opium markets and a well-ordered drug export industry. Lying at the heart
of the Helmand irrigation district, source of half of Afghanistan’s opium harvest,
Sangin’s “free market” bazaar had some two hundred traders who specialized in the
export of smoking-opium west across the desert into Iran. At the Ghani Kel bazaar
in eastern Nangarhar Province, producer of a quarter of the country’s opium, the
trade was centralized under forty merchants who worked through Pushtun tribal
connections to export heroin and morphine eastward into Pakistan.

Significantly, the Taliban regime’s ban on the employment and education of
women created a vast pool of low-cost labor to sustain this accelerated expansion of
opium production. In northern and eastern Afghanistan, women of all ages played,
the UN found, “a fundamental role in the cultivation of the opium poppy”—
planting, weeding, harvesting, cooking for laborers, and processing by-products
such as oil.

During the Taliban’s first years in power, its leader Mullah Omar made periodic
offers to both the UN and United States to swap an opium ban for international recognition — overtures that gave the UN Drug Control Program access to Afghanistan for a failed attempt at opium eradication. Although the Taliban promised a one-third reduction in cultivation, donors, including the United States, were unconvinced and provided only half the $16.4 million that the UN had requested. In May 1999, Kabul’s Anti-Narcotics Department finally announced a modest eradication effort in three districts of Kandahar, destroying only 325 hectares in a region with 5,602 hectares planted to poppy. In sum, during the late 1990s, the Taliban’s theocracy introduced policies that, by design and default, lent state support to developing the world’s first opium monocrop.

**Afghanistan After 9/11**

In July 2000, as drought brought mass starvation to Afghanistan, the Taliban suddenly ordered a total ban on all opium cultivation in a desperate bid for international recognition and support. With the drought reducing yields, the recently completed harvest was already down sharply to 3,276 tons of opium from the 1999 record of 4,600 tons. But Afghan farmers usually hoard up to 60 percent of their harvest, so the country still had massive stockpiles to cushion the blow.

Three months later, in an apparent bid for the Afghan seat in the General Assembly, the Taliban sent a delegation to UN headquarters in New York, where its Deputy Foreign Minister Abdur Rahman Zahid denounced the Northern Alliance government as a “band of thugs” who controlled the country’s heroin traffic. Though the UN ignored the Taliban delegation, crop surveys confirmed that the regime had indeed eradicated 99 percent of the opium in its territories. The CIA reported that Afghanistan’s opium production had dropped from 4,042 tons in 2000 to 82 tons in 2001.

A UN survey of 10,030 villages found that the Taliban, by enforcing its ban with mass arrests, had cut Afghanistan’s opium harvest to only 185 metric tons in 2001 — a 94 percent reduction that virtually eliminated opium in two of the country’s three main opium districts. In the Taliban’s two main opium districts, Helmand and Nangarhar, the reduction was over 99 percent. But in Northern Alliance areas, poppy planting more than doubled, making this opposition coalition the country’s top drug lords with over 80 percent of Afghanistan’s opium production and much of its heroin smuggling.

In eradicating opium, the Taliban had destroyed the country’s only surviving industry. By the time the Taliban banned opium in July 2000, Afghanistan had, by design and default, become dependent on poppy production for most of its taxes, all export income, and much of its employment. In this context, the Taliban’s edict was an act of economic suicide that brought an already weakened society to the brink of collapse.

When the massive U.S. bombing campaign began in October 2001, a year after the opium ban, the Taliban regime collapsed with a speed that R. W. Apple of the *New York Times* called “so sudden and so unexpected that government officials and commentators on strategy . . . are finding it hard to explain.” Though the U.S. bombing did enormous damage, its role may have been catalytic, not causal — accelerating an ongoing internal collapse that might have eventually swept the Taliban from power without any foreign intervention. I would argue that the Taliban’s economic evisceration left their theocracy a hollow shell of military force that shattered with the first American bombs.
The start of war with the United States in September 2001 ended the Taliban’s opium ban. At the start of fall planting in early September, the Taliban announced an end to the opium prohibition over its Voice of Shariat radio, and UN observers soon saw peasants preparing poppy fields in Nangarhar and Kandahar provinces, the regime’s heartland. Only days after the U.S. started military operations, local traders dumped their stockpiles on the market, sending opium prices down by 500 percent and filling gaps in global supply.\(^6\)

As the Taliban collapsed in mid November, this dragons’ teeth soil suddenly raised a new crop of warlords who used their drug money to arm fighters and seize territory. Using the covert-warfare doctrine first seen in Laos, Washington had deployed massive airpower and Special Forces as advisers to Afghan warlords — providing arms and money that reinvigorated local commanders after four tough years under the Taliban.

Across the country, the brutal warlords, eclipsed by the Taliban victory in 1996, re-emerged to fight for territory, seize food shipments, and smuggle drugs. Along the country’s northern tier, the CIA delivered bundles of unmarked U.S. bills to mobilize Northern Alliance warlords, long active in the local drug trade, for attacks on Kabul and other key cities. In the southeast, the Agency delivered money to Pashtun warlords, who dominated drug smuggling on the Pakistan border, to drive the Taliban out of their spiritual heartland. By the time the Taliban forces were in full flight, the CIA had distributed, through its agents and Special Operations forces, $70 million in “direct cash outlays on the ground in Afghanistan,” an expense that President Bush called one of history’s biggest “bargains.” But this was a bargain with a high hidden cost. After Taliban rule collapsed suddenly in November 2001, these same “corrupt and brutal” warlords quickly filled the political void by moving into towns and cities with thousands of militia armed from their arsenals, creating conditions ideal for the resumption of heroin trafficking.\(^6\) In the northeast, the Northern Alliance’s local commanders, who had long dominated drug smuggling into Tajikistan, expanded their territorial control. In the Pashtun-dominated southeast, former warlords, long active in the heroin trade with Pakistan, suddenly reappeared to seize local power.

Under the interim Eastern Shura government at Jalalabad, for example, the Pashtun warlord Hazarat Ali, notorious for opium smuggling when he ran the airport in the early 1990s, used his wealth to arm six thousand militia and capture the city, a center for heroin refining. In this same region, the overall warlord, Abdul Qadir, took control of Nangarhar Province where, in the early 1990s, he had once supervised over a rapid growth in opium production. Within weeks, the Eastern Shura’s senior drug control official reported a burst of poppy planting in the heroin-heartland of Nangarhar Province.\(^4\)

Further south in Kandahar, Gul Agha Shirzai, the pre-Taliban governor of the province, returned to power at the head of three thousand fighters after seven years on the Pakistan border engaged in what the \textit{New York Times} called, with wry wit, “getting rich through commerce of a sometimes murky nature.”\(^6\) Thus, only weeks after the Taliban’s fall, all of Afghanistan’s key opium-producing regions — Helmand, Nangarhar, and Badakhshan — were again under the control of powerful drug lords.

Only days before the international donors conference at Tokyo in January 2002, interim Prime Minister Karzai issued a pro-forma ban on opium growing and heroin processing without any means to enforce it against the power of local warlords.\(^6\) Indeed, in October the UN reported, from its field surveys, that the country’s 2002
opium harvest had surged from 185 tons the year before to 3,400 tons — again the world’s highest and the same level that it had been before the Taliban’s poppy ban. Significantly, the UN estimated the value of this opium harvest, most of it under the control of local warlords, at $1.2 billion — an amount greater than foreign aid actually delivered to the Karzai regime in Kabul and an economic imbalance that helps explain both the political survival of these brutal commanders and the weakness of the central government. In 2003, this pattern was, according to the UN, repeated with opium production rising to 3,600 tons and illicit drugs providing some $2.3 billion for Afghanistan, more than double foreign aid and nearly half the country’s economic activity. Once again, Afghanistan was in the grip of the warlords and its land given over to opium, arms, and warfare.

Conclusion

Looking back on these covert wars, I would argue that their unseen costs, once recognized and calculated, might be considered unacceptably high. During the Cold War, CIA agents allied with Asian warlords to wage covert wars that served as catalysts for the region’s opium traffic at several critical points in its postwar history.

In mountain ranges along the southern rim of Asia — whether in Afghanistan, Burma, or Laos — opium was a key element in the apparatus of local power. Once allied with the CIA, these warlords used the Agency’s protection to expand local opium production and become powerful drug lords. Focused on their covert mission, the CIA operatives usually ignored drug dealing by their assets. Once the CIA allied itself with one of these opium warlords, it could not afford to compromise an important covert-action asset with drug charges.

Respecting the national security imperatives of these covert operations, the DEA kept its distance from Agency assets, whether in Afghanistan or Laos. Such implicit tolerance allowed covert-war battlefields to become enforcement-free areas where the opium trafficking could expand without restraint.

From a narrow Cold War perspective, such informal tolerance of drug dealing often amplified the CIA’s operational effectiveness. As tribal societies mobilized to fight the CIA’s secret wars, they diverted critical manpower from subsistence agriculture to combat. In effect, this diversion of labor from subsistence crops was covered by a rapid increase in cash-crop drug sales. From the CIA’s viewpoint, narcotics income thus spared the Agency the prohibitive cost of providing welfare for tribes with dependents numbering in the hundreds of thousands. Of equal importance, control over this cash crop allowed the CIA’s chosen warlords to command tribes, clans, and villages in bloody campaigns that ground on for a decade or more. In sum, through its tolerance of the opium trade, the CIA’s expenses declined and its operational effectiveness increased.

Looking back on these CIA covert campaigns, there is a striking contrast between their short-term military gains and their long-term diplomatic costs. During each operation and its aftermath, there is a sharp rise in both opium production and heroin exports to international markets, including Europe and America.

Once the operation is over, both the market linkages and warlord power remain to make these regions major drug suppliers for decades to come. Of equal importance, the peculiar character of covert warfare denies its battlefields the elements of postwar reconstruction that often follows conventional combat. Since these secret wars are fought outside the normal diplomatic channels, their postwar rehabilitation
remains beyond the realm of conventional international intercourse.

Even when covert warfare is followed by foreign aid, as it has been in Afghani-
stan since 2002, the costs of CIA covert warfare are still high. During the fighting,
the combination of U.S. airpower and CIA alliances with Afghan warlords was, in
a sense, the ultimate test of the new warfare doctrine developed in Laos thirty years
before. In the short term, this strategic doctrine proved surprisingly successful in
defeating the Taliban regime with just a few Special Operations forces and almost
no American casualties. But this manipulation of Afghan society to advance the
warlords, a tactic central to this covert warfare doctrine, left these corrupt
commanders in control of the countryside once the fighting was over, creating a
lasting source of conflict for both Afghanistan and Central Asia. Once again, CIA
covert warfare, so successful in the short term, has left behind an ambiguous
political legacy that may, yet again, make Afghanistan a source of regional and
international instability.

In the absence of international aid, these highland societies often expand their
opiate production as an ad hoc form of postwar reconstruction. Over time, narcotics
serve not only to sustain a traumatized society during its postwar recovery, but also
to reinforce its isolation from legitimate resources of the international community.
After CIA intervention in the 1950s, Burma’s opium production rose from eighteen
tons in 1958 to six hundred tons in 1970. During the CIA’s covert war of the 1980s,
Afghanistan’s harvest increased from an estimated one hundred tons in 1971 to two
thousand tons in 1991 and then kept rising to 4,600 tons in the war’s aftermath.69 A
decade after the Cold War’s end, the CIA’s three covert battlegrounds along the
5,000-mile span of the Asian opium zone — Afghanistan, Burma, and Laos — were,
in that order, the world’s three leading opium producers. Though small and remote,
these covert-war wastelands can become significant sources of international instabil-
ity — veritable wounds on the international body politic.

This history of covert warfare also raises some important questions about the
CIA’s future role in U.S. foreign policy. At the broadest level, this review of covert
operations indicates some of the hidden political costs of investing an executive
agency with extraordinary powers — a problem that American society has refused to
address, in the aftermath of the Cold War, in a serious, sustained manner.

As the winner of the Cold War, the United States has been spared any painful
self-examination, any need to question the methods used or price paid for victory.
Alone among the major covert agencies that fought the Cold War, only the CIA
survives unreformed, its files still sealed, its failings unexamined. Not only has the
CIA survived, but it has parlayed its claims of victory over communism, and now
terrorism, to win massive budget increases that make it one of the most powerful of
federal agencies.

On its fiftieth anniversary in November 1997, the CIA looked into a future with-
out communism and proclaimed its new missions as the fight against terrorism and
international crime, particularly drug trafficking. As President Clinton put it, the
Agency would be charged with “protecting American citizens from new
transnational threats such as drug traffickers, terrorists, organized criminals, and
weapons of mass destruction.”70

As an intelligence, espionage, and covert-action agency, the CIA has developed
an ingrained institutional culture of operating outside the law. Unless we are to
adopt President Nixon’s option of wholesale assassination of drug lords, the CIA is
ill-equipped for the fight against crime.71 Unlike the FBI or DEA, the CIA simply
does not have the experience to collect evidence within the law in ways that will
allow successful criminal prosecutions.

The time may have come to put aside the comfortable self-assurance from our victories in the Cold War and the War on Terror and begin asking some hard questions about the CIA’s future. Now that the Cold War is over, do we really need a CIA armed with the extraordinary powers that place it beyond the law? If so, do we want the CIA to fight the Drug War and the War on Terror with the same covert-action arsenal it used in the Cold War? Do we want the CIA to preserve its Cold War powers to conduct covert operations exempt from both legal restraint and legislative oversight?

As we saw in the 1980s and are seeing again in Afghanistan, the CIA’s alliances with warlords cum drug lords were not just an aberration, not just an expedient born of the Cold War. To mount complex covert operations in remote foreign territories, CIA agents often seem to require the services of criminal assets skilled in what CIA agent Lucien Conein once called “the clandestine arts”—that unique capacity, shared by spies and criminals, to conduct vast enterprises and major operations outside the bounds of civil society.

Simply put, the CIA’s liaisons with warlords, drug lords, and criminals are an integral part of its covert operational capacity. Now, more than a decade after the end of the Cold War, it seems that we are faced with some choices. We can either deny the U.S. executive the authority to conduct these extra-legal covert operations, or we can accept that these missions may well involve the CIA in criminal alliances and leave behind covert-warfare wastelands of the kind we have seen in Laos and Afghanistan.

Arguably, every nation needs an intelligence service to warn of future dangers. But should this nation have the right, under U.S. or international law, to conduct its foreign policy through clandestine operations involving bribes, black propaganda, murder, torture, criminal alliances, and covert warfare? The time may have come to put aside the complacency from our victories in the Cold War and the War on Terror and ask some hard questions about both the long-term costs of covert warfare and the future conduct of U.S. foreign policy. Z

Notes

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