

**Catherine Interviews Peter Dale Scott**  
**Deep Politics and the War Machine**  
**The Solari Report: December 15, 2011**

*Catherine Austin Fitts:* Well, not surprising our hero this week is the person we're interviewing. It's Peter Dale Scott. Peter has an amazing background. He was a Canadian diplomat and became a professor at the University of California Berkeley where he now lives. He became very interested in American history and the deeper story of what was going on and has been one of the most – I would say one of the most important historians of our generation of people who – historians who really wrote the truth – not the official reality, but really dug in deep and started to look at the deeper issues of what was going on.



Every time Peter publishes a book – I think I've read all of his history or political books. Every time Peter comes out with a book, I immediately get it because – for people who are really interested in politics and American history - his work is a must-read.

Peter recently published his latest book, the *American War Machine: Deep Politics, the CIA Global Drug Connection and the Road to Afghanistan*. And to say it's a tour de force is an understatement. It's an absolutely

brilliant work. It brings together and integrates so much work that Peter has done in his different books along the way.

One of the things that makes it so special is this book does it to a level of academic standards of excellence, which is very, very difficult to do if you're writing about these topics. It takes incredible discipline, many, many years – Peter has accomplished that. I had the opportunity when I was out in California last year to have dinner with Peter and his wife in Berkeley. I have to tell you it was one of the most fascinating dinners and experiences that I've ever had, because when you talk with Peter, he is such – and I'll let him convey this himself because it always comes through. He's not only a brilliant person and an incredibly accomplished academic historian/author; he's also just a wonderful human being.

And that's why whenever I read Peter's work or I spend time talking to him, I come away with this sense that the world really can make sense, and we really can – as Foster Gamble would say – thrive. And I just feel so much more coherent. So it's a real pleasure to welcome Peter Dale Scott!

*Peter Dale Scott:* Well, thank you, Catherine. I hope I'm an anticlimax after that intro. But I would agree that the last book I wrote, *American War Machine*, is probably the one which does most to pull together all the different research I've done through the last 40 or 50 years.

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*Catherine:* Well, you – why don't we start with – it'd be good to just walk through your book and hear you tell the story of how you – how a professor of English came to write some of the most important definitive history of the American empire.

*Peter:* Yes, I think it's useful to see how I got drawn into this. When I left the Canadian Foreign Service in 1961 and came to Berkeley, I thought that I was giving up politics. I don't have a Ph.D. in English. I have one actually in political science, but it's on the social and political ideas of T.S. Eliot, so I've always had a double interest in literature, and particularly poetry, and in politics. And actually, I published an essay recently online how I say I think the two go together – that my interest in deep politics digs into the unknown in a way that poetry also goes to the back of the mind.

I won't try to develop that here, but I began getting interested in politics again because I had been exposed to the problems of Indochina when I was a Foreign Service officer. And as I saw America beginning to edge towards major involvement in Vietnam, in a very small way, I circulated petitions and maybe wrote an article saying that America shouldn't do this for America's sake. And then when Kennedy was assassinated in 1963, I was – after that, I – my first book was a book called *The Politics of Escalation*, which was – it was a bit late now to say America shouldn't get involved.

But we tried to track – there were three of us co-authors, and we tried to track how America embarked on what I thought was a crazy initiative, just as I believe that going into Iraq was a crazy initiative. And in writing about Vietnam, I became convinced that a very major decision had been made the same weekend that the president was shot – in fact, it was in 48 hours of his being shot – had not a decision to go to war, but a decision to prepare for war which had war in the offing. So that's how an interest in foreign policy, in Vietnam, became an interest in the Kennedy assassination, and that eventually led to my coining this notion of deep politics: that there are events – things going on under the surface that we have to look at.

And this in turn leads to what I talk about very often nowadays are “deep events,” like the Kennedy assassination, which are portrayed in the media as being accidents or things that come in from irrational, outside forces a lone nut Marine in the case of the Kennedy assassination, but which in fact are – flow from forces going on under the surface of American politics, which have over the last half-century particularly been leading us more and more in the direction of global domination through the use of violence, which I regret and oppose, because I love this country.

But I think that it's being badly served by these forces which have broken in on the American political process. And that's one of these “dark forces,” if you want a phrase for it, *American War Machine*, which is the title of my last book.

*Catherine:* Well, you know, let's just spend a little bit of time on the Kennedy assassination, because to me the Kennedy assassination is such a – the fact not just that it happened, but the

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people who engineered it got away with it, and it was never – transparency was never brought to what happened.

*Catherine:* It's one of the most important things that ever happened in American history.

*Peter:* I totally agree. And just starting on the most simple and obvious level, good politics are based on trust: bad politics are based on fear. And whatever else you believe about the Kennedy assassination, I think everyone has to agree that it was the beginning of a serious erosion of trust in the American political process. I think personally, because of what I believe, I would say that that increase in mistrust was in a sense justified, but it's also very sad because America at its best has flourished when people are willing to trust in the system and the process.

And if it's true, as I believe it is, that the assassination was engineered on a high level – I never pretend to know who killed the president, but I get a stronger and stronger picture of people from different departments of the U.S. government – FBI, CIA – particularly the CIA, but also the military, the military reserve, some major private corporations – if it's true that these people did it and got away with it, that does raise real questions about the legitimacy of government. And it also, I think, explains why we've had more deep events that circle back with some of the same personnel because they have to go on ensuring that the truth won't go out. It wasn't a one-time job – you publish the Warren Report and then everyone will forget about it.

No, there is a small percentage of Americans that continue to be obsessed with the assassination and learn more and more about it. And at higher levels, too, some people remain interested, and we see further events – I believe that Watergate – I have for decades believed that the mysteries of Watergate, another deep event – when I say “the mystery,” what Nixon did – a lot of it was very well documented. But why people went into the Watergate offices of the DNC in the first place I think has not been resolved. But there are more and more books now that suggest that it was something done to damage Nixon, not in service of him. And I believe also that that had something to do with the Kennedy assassination.

So the – I agree with you that the Kennedy assassination was the beginning of a serious deterioration in American politics, both on trust – of trust on the most popular level, but also a corruption of institutions at a higher level.

*Catherine:* Well, you know, what I've found in my work – because I tend to go back and study the drugs as a cash flow and business – narcotics trafficking as well as financial fraud – and the two are very – narcotics – if you come into any county in America, Peter, you'll see that mortgage fraud and narcotics trafficking are tied at the hip because one's laundering the other. And so –

*Peter:* Right – I'm so glad you brought up drugs at this point, because I – first of all, it gets a bit technical, but there is a drug aspect to the Kennedy assassination. There is certainly a very strong drug aspect to the Cubans who went into the DNC offices in Watergate. But also the myth of the

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sovereign state is that it holds a monopoly of power. And the fact – anyone who lives in a depressed neighborhood knows that the power of the state is contested by the powers of gangs and of organized crime, and that the center of that alternative power is the drug trade and the huge profits that are in it, and which incidentally are guaranteed by absurd policies of prohibition that make – keep prices high.

And when I'm talking about deep politics, I've always defined it – well, I'm gonna read a little bit from what I say about deep politics in *American War Machine*. But I've recycled this through my last – I actually have a book with – which *Deep Politics* is the title: *Deep Politics and the Death of JFK*.

*Catherine:* And I have to say this: it's a wonderful book.

*Peter:* Well, I think what's good about it is that I was not trying to tell people who did it; I was trying to tell people what we learned about American society by the phenomenon and the cover-up which followed. What I say here in *American War Machine* is the – it's the constant everyday reaction/interaction between the constitutionally elected government and subterranean forces of violence, forces of crime that appeared to be the enemies of that government. And then I give the example of the CIA for most of its existence operated under a secret exemption from legal review of its actions.

I wonder if your listeners knew that. The Attorney Generals of the United States didn't know. It was such a secret arrangement that was done back in 1952 that Robert Kennedy only learned about it when he wanted to go after the CIA's using mafia figures to assassinate Castro and found that the CIA was immune from any kind of prosecution on that. And yes, the reality of life in a drug neighborhood is that if people have to choose between offending government or offending the local enforcers of crime, they tend to be more frightened of the enforcers of crime than of the government. And that is a reality that we live in. It's a reality that has – it goes up and down in American history.

It's not new, but one of the reasons it's up recently is because of the – I could tell you one single reason for it, is the criminalization of the use and sale of marijuana. Maybe there are some arguments why marijuana should not be used. I haven't used it myself for 40 years because the illegal sources now are so strong I don't wanna go near it. But the – it explains so much – I mean, most of the revenues for the drug mafias – the cartels, as we call them in Mexico – is for marijuana. They're also making money from cocaine, but they don't grow it. They do grow marijuana by the tens of hectares, and it's huge.

And it's huge in California. It's probably the number one crop in California, and California isn't taxing it, whereas if everybody grew their own they would be smoking a milder and safer form of marijuana, and you would take the heart out of the business – the dollars in the drug trade – which

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are dangerous for society, because among other things they buy influence with politicians and help corrupt our government.

*Catherine:* Well, Peter, for many years, when I first started to study the drug trade and I followed through who was doing narcotics trafficking or coordinating through the intelligence agencies and who was doing financial fraud and I saw the linkages, and I just tried to understand the history of narcotics trafficking and financial fraud say from the creation of the Federal Reserve on, it was amazing, because for the first time I felt like I understood the history of America. In other words, all these different disjointed events that didn't seem to make sense suddenly all came into an integrated whole because you could see – one of the things I found that I think I wanted to mention was the people who appeared to be part of – whether it was the assassination or the cover-up – were really empowered by the fact that they got away with it.

And that leads us right into Iran Contra, and then they were – as a financial matter, they were empowered that they got away with that. And then if you look at the fraud that occurred in the housing bubble or in the pump-and-dumps in the stock market in the '90s, it really – it was the same sort of players. And from the Kennedy assassination all the way to the latest housing bubble, it's like one flow, except they just keep getting more and more emboldened to be – you know, to take more and more and more. And behind all of it is this violence that we all pretend isn't really happening, but it is.

*Peter:* You said so much there, I'm not quite sure where I should come in. Let's go back to the Federal Re – formation of the Federal Reserve, which was within seven years of the International Convention which first outlawed the trafficking of narcotics. I think the original intentions of America in this were benign – that's to say that people – most of the fuss about the drug traffic had to do with China and the narcotization of China. And the British Empire funded itself by the sale of opium from India to China. And missionaries were reporting back to both England and America – the civil servants kept saying how benign the drug trade was, and the missionaries kept – who saw the social consequences – kept saying how terrible it was.

But of course, the prohibition of drugs in America got tied in with initially the prohibition of alcohol and the absurdity – the alcohol thing was a much larger phenomenon, and its absurdity led to repeal of prohibition with respect to alcohol. It would have been good for the world, I think, if the repeal of prohibition on narcotics had gone the same way. But what happened was the opposite. There are numbers and numbers of prohibition agents who now didn't have a job, and Anslinger, who headed the Federal Bureau of Narcotics at that time, solved the problem by discovering the horrors of what he called *Reefer Madness: the Dangers of Marijuana*. It's really amazing to go back and read the literature that the –

*Catherine:* Oh, I've read it. It's amazing.

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*Peter:* You know, the – year after year, they’re telling stories about – it’s usually very racist. It’s usually about a young Mexican who smoked one marijuana joint and then killed his mother. And this stuff was being put out emphatically over the years by Anslinger, and he was the source of other lies, too, which are more pertinent really to what we’re talking about. One was that he, as the head of the FBM, essentially protected the reappearance of a global drug traffic after World War II, because particularly in opium most of America’s opium was coming from southeast Asia from – Al McCoy wrote a book about this and the politics of heroin.

The facts are very clear that the drug traffic, which was beaten back to almost nothing during the war because the – you know, civilian shipping was – came to a standstill, particularly across the Pacific. But after the war, the opium production for the American market shot upwards, and it was being done under the auspices of private armies that were being used and – more than used, but assisted very seriously – assisted by the CIA. Now, Al McCoy’s understanding of this is that we – the CIA did this, in his phrase, “turning a blind eye to the drug trade.”

But no, I think that the CIA wanted a flourishing drug trade in Southeast Asia because they were very worried about the royalties of the Chinese populations in the cities there. There were Chinese in Saigon, a Jakarta, in Singapore, in Kuala Lumpur – everywhere! And in the normal course of things when – they always sent remittances back to the mother country, and if there hadn’t been a serious intervention, those remittances and those populations would probably have turned their eyes to the new Chinese People’s Republic in mainland China.

But that was stopped, and one of the main reasons for stopping it was that all those – the Kuomintang, which was the political organization of Chiang Kai-shek, had very strong roots in all those cities. It had always funded itself by drugs, including in America the various tongs of Chinatown were passionately anti-communists and deeply involved with organized crime and the drug traffic. And this was true also in Southeast Asia, and the CIA liked this and helped it.

And I think the proof – if there’s any single thing that proves not only that the – because it’s known that the army – the KMT army in Burma was working full-time on collecting drugs, opium, and shipping it down to Bangkok, from which it went to Hong Kong and eventually America, so then turning up in the streets of New York, Boston, San Francisco – the CIA knew it, and I think we can show that they wanted it, because if they didn’t want it, it would have been very important to control closely the airplanes that were flying arms into these KMT bases in Burma. But the CIA did exactly the opposite. They wanted an operation that was plausibly denial, so they set up – the firm we now know as Air America was called CAT back in the ‘50s, and the CIA controlled the air – the workshops in Taiwan where the planes were fixed.

The CIA controlled the pilots. But the planes themselves were 60 percent owned by KMT bankers in Taiwan. So that allowed the CIA to use the planes to fly arms into these bases, and then they’d say, “Oh, well, when the planes fly back that’s not our plane. It was being used by the –

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*Catherine:* “That’s the Taiwanese.”

*Peter:* -- the Taiwanese to bring the drugs out.” And this went on in a very – in a huge way. I mean, Southeast Asia went from something like 80 tons of opium a year being grown at the end of the war to at the peak of the Vietnam War it was something like 1,200 tons.

*Catherine:* Yes, that’s huge.

*Peter:* And that was the center of the opium trade in the world then. And then of course, when the Americans began to pull out of Indochina in the 1970s, and particularly out of Laos where a lot of the drugs came from, the ‘70s is the decade when we begin to get drugs – opioms for the first time from the Golden Crescent, which is to say the Pakistan-Afghan border. And now it’s minor in Southeast Asia. America’s gone, and it’s absolutely huge in Afghanistan, which is – even though it’s come back a bit recently, it’s still in the order of 90 – 92 – 93 percent of the global production of opium. So –

*Catherine:* Before we get to Afghanistan, can we touch on what happened in Mean, Arkansas, and the crack cocaine explosion that occurred with Iran Contra?

*Peter:* Yes, there was certainly – you’re absolutely right. There was a crack epidemic that if you read any history of cocaine. Some of them started in the ‘60s. Some of them started with Nixon’s declaration of the War on Drugs. But everybody agrees that it suddenly went viral in the 1980s and became huge, and this was at a time, of course, when we were sponsoring – or “we” – the CIA – have to be careful here – Americans, because the CIA didn’t – initially it was the CIA, and later it was Oliver North and his enterprise. But they were sponsoring contras in Central America.

I think this is in the pop – most Americans know that there were allegations that this support of the contras was related to the drug increase of cocaine in America. It wasn’t primarily the contras themselves, although some of them were involved, but it was very much the infrastructure that was set up to fly arms into – from America down to Central America and give arms to those people. Most of these planes were being flown by Americans, not by Central – people from Central America. And it was a matter of fact as came out in hearings that these planes would fly into particularly Fort Lauderdale and were given – they were not looked at because they were part of this covert operation.

And there’s certainly documented cases when drugs were seized on these planes. One of these planes owned – was owned by a major trafficker in Honduras called Matta-Ballesteros, and he bought himself a CIA immunity by lending planes to the contra supply effort. American AP, Associated Press, in the mid ‘80s wrote a story which never made it into American papers. But it was by a very good journalist. I think he won maybe even a Pulitzer Prize or something. And in that story he estimated that Honduras was supplying – as of course, a way station – the cocaine was coming from Peru and from Colombia – increasingly from Colombia.

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But Honduras was handling something like a third of it, and I believe he said that most of that was being handled by this single man, Matta-Ballesteros. And the fact that he was an important drug trafficker was illustrated by the fact that within days of Congress finally, in 1988, terminating any kind of assistance to the contras, that was the end of the game, and then they moved in, and they didn't extradite him from Honduras; they kidnapped him in Honduras and flew him to the United States. That's how keen they were to get him. But for years, he had operated under this CIA immunity because he was – his planes were – and I believe his cash, too – were supporting the contras.

So there's a definite connection between drugs and covert operations in the 1980s. People are most aware of Contra-gate down in Nicaragua. But from the very beginning in Afghanistan, the American's equipment, arms, etcetera – all kinds of aid to the Mujahideen in Afghanistan was being handled by planes and ships that were connected with BCCI, the Bank of Credit and Commerce International, which was a serious drug bank with its own enforcer squads contributing to the corruption of people all over the world, including the United States. That's another aspect of it, but drug being so huge that one of the spinoffs is that a lot of that money's going to be used to supply what the Russians called a roof for the trade: protection in high places of government.

The old FDM became so corrupted they had to close it down, and very quickly they had to close down its replacement. And now we have DEA, but DEA is also being corrupted. Customs is being corrupted. For years, Hoover wouldn't touch drug enforcement because he was certain it would corrupt the FBI. But now the FBI's in, and there have been examples. I think the FBI comes out better than some other agencies, but there's corruption there, too. So if we want to end all this corruption, as I say, one of the first things we could do is begin at least selectively by decriminalizing one drug, which would be marijuana.

*Catherine:* Well, the number of arrests every year from marijuana are just astonishing.

*Peter:* And our jails are overflowing. We have – you know, we and China lead the world in the number of people – the percentage of our population we put in – behind bars. It's over two million now, I think, and a lot of these people are not guilty of any crime of – except a crime that is being artificially defined as one by the anti-marijuana laws.

*Catherine:* Peter, the – when I went back to try and understand how things have sort of gotten so bad, what I saw was that in – when we passed the CIA Act in – well, National Security Act, I guess, in '47, and then the CIA Act in '49, we created a mechanism for government debt and borrowing to be used to finance black projects on a non-accountable basis. And that money was being pooled along with the drug money. The two were connected. And then in 1980, we created an executive order that said that that money – the private corporations could do – could be paid to do secret and classified functions with this money.

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And what that did in combination was it created a near infinite amount of money for private corporations to own and control the most powerful technology on the planet, including weaponry.

*Peter:* Well, you know more about this than me, but there is something else that happened at the same time. When Reagan was elected in 1980, was in the middle of a major oil crisis, and the price of oil – it doesn't seem so big now, but it seemed huge back then, and this destabilized the American currency. Interest rates were sky high. And in various ways the Reagan administration courted – they courted drug money. They issued bearer bonds for – Treasury bonds, for example. The FBI warned not to do it because they said it would be an invitation for organized crime to buy them.

But I think Reagan's treasury secretary, that's exactly what he wanted. And then there was what was a fairly major crisis that Mexico was going to declare bankruptcy and stop paying its – paying interest to the American banks. And this would have meant – they were so overexposed on loans to Mexico and Brazil that if Mexico had defaulted, I read that if the American banks had then written off those loans they themselves would have been technically bankrupt because they wouldn't have had the reserves that they were required by law to have. So what Reagan did – well, the administration did was bail out Mexico. But it's very interesting.

They didn't bail out Mexico until they had the CIA analyze where Mexico's foreign reserves were coming from. And you can actually see the document; it was reprinted in a book called *The Underground Empire*. The CIA came back with an estimate that 75 percent of the currency earnings of two countries, Colombia and Mexico, derived from the drug traffic. So what that meant was that drug money was able to pay back Mexico's loan that was advanced by Reagan so that they were counting on drugs. And Colombia consistently has been the one country that has had no problem making its debt payments to the United States.

So you can imagine what the private investors in Colombia feel about the drug trade; they can't be really very opposed to it. The same thing happened in a far bigger way with Clinton, by the way, in – was it 1994 and 1995 when he just overnight advanced – what was that \$40 billion or \$50 billion that he gave to Mexico.

*Catherine:* Yes, it was significant.

*Peter:* And they were counting on drugs to balance the books eventually, which they did. I have a story in *American War Machine* about the big sting that was organized by DEA where they created a casino outside of Las Vegas and had all these Mexican bankers come and discuss money laundering, and the – they wanted to move in and arrest all these people, but it was too big. They couldn't do it. And finally, they said – it's not in my book, but the case of Wachovia Bank where they admitted to not – this became prominent because a plane was caught with – what was it - \$100 million of cocaine on it, and the plane had been financed by two accounts in Wachovia and the Bank of America.

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And this led to prosecution of the Wachovia Bank, which conveniently went bankrupt and was assumed by Wells-Fargo. And Wells-Fargo later admitted – if you read the AP story – or no, sorry, the Bloomberg version of the story, they admitted that they had failed to exert the legal oversight over \$380 billion worth of financial transactions. The Agence France-Presse account of the DEA press conference says it was \$420 billion. That’s one bank, so you can see how huge this has been. And then of course, finally, Costa – the UNODC representative who monitors the drug trade and crime – drug crime for the UN said that in the latest – the ’98 turndown that there were banks that only survived by their laundering drug money.

He didn’t name them, but I’m sure it’s true. There was a congressional committee which assumed that it was between \$500 billion and \$1 trillion worth of hot money a year. The biggest share of that by far would be drug money.

*Catherine:* I finally sat down in one county with a guy who used to deal drugs, and it was a county I know, and went through with him in detail how much volume there was in all the different categories, and I tallied up how much money was coming out of the county just from drugs, and it just astonished me. If I hadn’t just sat down and penciled it out myself on the ground, I would not have believed it– and of course, when you launder that money in ways that leverage it through the financial market, it turns into – a dollar of drug revenue on the ground can be levered into \$10.00, \$20.00, \$30.00 in the capital market.

And so there continues to be that connection between drugs and the financial fraud, and the money gets very, very big pretty quickly.

*Peter:* Who knows –

*Catherine:* Well, let’s go – I wanted you to kind of go through your new book, Peter, and describe sort of why you wrote it and what it says.

*Peter:* Well, I wrote it because I really – I had hoped in my previous book, *The Road to 9/11*, I had wanted to start with the – you talked yourself briefly a few minutes ago about the creation of the CIA in ’47. What really counted back then was the creation not by statute but by an executive order of what was called the OPC, the Office of Policy Coordination, in 1948. The CIA really was originally conceived of as an intelligence agency to gather information and to circulate it in the government. We now know that it has a covert operation side, but that began outside the CIA as OPC, the Office of Policy Coordination.

They are the people who built up the drug trade in Southeast Asia and did a number of other things. They conducted a secret war in the Ukraine that most Americans never knew about and never has been properly described. In fact, I have – you’ll know – and then eventually, OPC became such a problem that they felt it had to be brought under better control. So they put it inside

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the CIA, but the effect was the opposite. It wasn't that the CIA then controlled OPC. It's really that OPC ever since – the covert operations have defined the style and the ethos of the agency.

And if there's any one individual responsible for that, it's the man they put in charge of watching OPC become the Department of Plans in the CIA. That man was Allen Dulles, who very soon became the Director of the CIA, and of course embarked the CIA on a number of – people talk about the fiasco of the Bay of Pigs, but Dulles boasted about having overthrown Mossadegh in Iran and having overthrown Arbenz in Guatemala, and both those operations were far bigger fiascos if you think about them in the long run because they are the source of torment in Iran to this day. Now, Iran is a government of Mullahs, and the Mullahs were the allies of the CIA in Iraq.

And Guatemala has seen really what you could almost call genocide of the native populations for 40 – 50 – 60 years by the army that was the ally of the CIA in Guatemala. So this was a bad turn of events, and what happened in those states recreated itself – you can trace directly to the bigger disasters in Laos and what is essentially a rerun of Laos today in Afghanistan, which has become a completely corrupt country for the same reason that Laos became a completely corrupt country, because we keep pouring all these billions of dollars into it. And what do you expect but corruption?

*Catherine:* Right.

*Peter:* So I may have lost your question there, Catherine. But –

*Catherine:* No, but finish – because the *War Machine* is such an extraordinary book in that you tie these different threads into the effort now to build a global empire and why we went into Afghanistan.

*Peter:* Right, well, I offer the argument, which only occurred to me as I was finishing the book, that the official American policy after the war vis-à-vis the Soviet Union and China was containment. The Republicans ran in 1952 on a program of rollbacks that they didn't just want to live with the Russians and the Chinese, they wanted to – you know, it was a huge debate in Congress in those days who lost China as if it was ours to lose. And they wanted to get China back, and I realized that the drug trade was important not just for winning the hearts and the minds of the Chinese in Southeast Asia, but also to be a kind of case study and rollback.

And that's why we put so much money – we built a private army in Thailand, PARU; most people have never heard of it. The guy who ran it was quite a decent guy actually. But in an oral history, he admits that they financed their operations by drugs. And then they went into Laos. Why did America go into Laos? What kind of danger did Laos, a country of eight million people, present to America? I thought – well, there were still a number of people who wanted to get China back and who were allied with the – their hearts were with the KMT in Taiwan, and I think that they hoped –

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and I'm sure actually some of them hoped that China would respond to our making war – because this was a war that America unilaterally started in Laos in 1959 and brought in Air America there.

And I think that they hoped that China would respond by fighting. China was very circumspect, built up its own army, but was very cautious with respect to what happened in Indochina. But this encouraged – it gave people the idea that rollback was working. It gave America the courage to – there had been a whole war in Indochina with the French that ended in 1956 with the Geneva Accords. That's where I come in because I had to follow the enforcement of the Geneva Accords because I was stationed in Poland, and Poland and Canada were on the control commission. And they – America said that they were not going to sign the Geneva Accords, and they said that they weren't going to overtly offend them, but they covertly tried to make them not work, and I think that is the true source of the Vietnam War.

In other words, it was the true source of what I call the conversion of the Department of Defense into a department of offense until by the Reagan years it was actual doctrine. You had people saying that the army isn't just there to defend the continental United States, it's to maintain a global order throughout the world so that we were – this was mostly on a covert level under Reagan, but we were involved in all kinds of places – Angola and Mozambique – that we would not have – and by the way, the Russians were, too.

I'm not trying to say this was – when I say it was unilateral, the real test case is Afghanistan because the covert operations began the moment that we had – Nixon and Kissinger had made contact with Beijing, Beijing encouraged America to go into Afghanistan. And Brzezinski boasted really that he drew the Russians into Afghanistan, gave them – in Brzezinski's words, gave them their Vietnam, which it was a horrible decade for the Russians in the '80s. Now it's our Vietnam, still a legacy of the intervening there.

I guess the – come back to what the book is saying – that with the aid of the drug trade – in the first four or five chapter are mostly about the buildup of drugs – I take a case history of Mexico and how we became completely involved with the security agency there, the DFS, which became, partly because of us, more and more corrupted by the – they were corrupted by the drug trade from the very beginning, but became more corrupted in the end, which doesn't speak very well for America, which has had a bigger presence in Mexico for a longer time than in any other country.

And then I – just seeing how this use of drugs as an asset in covert operations leads to a more – a bigger and bigger offensive capability until now it's the doctrine of the U.S. armed forces, that they should be able to control any incident anywhere in the world, which is a very large, I would say, really insane conception of what America's power can and should be used for. That's – so in a sense, the storyline of the book is building up from the drug trade in Burma and then Thailand and then Laos and then Vietnam and then Afghanistan up to the war machine that we have trying to dominate the world.

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*Catherine:* Right – and it makes a lot of things that look kooky today when you understand this history they make much more sense. And I think one of my favorite parts of the book, Peter, is towards the end where you talk about our complicity as a people, because if you look at the implementation of all of this, you know, it requires – to a certain extent, it requires most of us. Most of us, one way or another, get involved in the war machine, because it's such a big part of the economy. And we've done a marvelous job of pretending this isn't really going on and that we're...

*Peter:* I'm ambivalent. I really love this country. I'm here by choice. I'm a green card alien. I have not chosen to swear allegiance to the government, neither will I swear allegiance to overthrowing it. But I love the people. But I like any people anywhere. Actually, I think the difference between Canada and America is – because Canada is a much smaller country, we have a much stronger sense in Canada that we can do something to affect our government.

The sheer size of America as – with over 300 million people, which is ten times the size of Canada, intimidates the ordinary American from thinking that he's responsible. And meanwhile, because of the illegality, the press have been co-opted. The press are called the sort of responsible press or the mainstream press, they get their stories from the CIA, so we never get an honest accounting of what the CIA is. And even when they do stories criticizing the CIA as they do from time to time, they're going to pull their punches when it comes to the drug traffic.

This is particularly true with a *New York Times* reporter on the CIA called Tim Weiner, and he wrote a book, *Legacy of Ashes*, which is a fairly severe critique of the CIA but virtually silent when it comes to the question of the CIA and the drug trade. This is very –

*Catherine:* Well, I've found both in the press and in government people were afraid, because there's – and you do a great job of this in the book, describing the sort of covert violence that runs throughout the system. And I think there is a lot more violence, and this is a very violent machinery that if you don't stay within your prescribed lines it can be very dangerous.

*Peter:* Yes, but we've had, of course, as you alluded earlier in the program, a number of people – Kennedy is not the only unsolved assassination. You have his brother. You have Martin Luther King – the famous ones. But in the private sphere, too, this has gone on. The people have looked closely at the death of Walter Reuther, and officially that was just a plane accident like Paul Wellstone, but that he had been receiving death threats for some time before. Yes, violence is a way of life in America.

I'm afraid it's the – you know, America is such an enormous experiment in organizing society differently that it has given a great deal of freedom to individuals. It's given a great deal of freedom to corporations. That's become coded in law, and I rather like the Bernie Sanders proposed Constitutional Amendment which would say that corporations should not be given the

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rights given to persons, and it's given a lot of freedom to organized crime so that there's a lot of violence going on.

Actually, my book begins with a little anecdote about Al McCoy, the great expert on heroin, and myself going down to interview somebody from special forces who had said in a meeting where I had been present that he had seen opium loaded on an Air America plane. And I found him from my house and said, "Will you talk to us?" and he said, "Yes." And we arrived the next morning, and he won't talk to us, and he points to his MG – really not talking. He points to the MG he owns, and there's a hole in the steel door a foot wide.

And he said, "That was done by an implosive device. Must have been the people from my own unit." So yes, he was frightened, and he was frightened because of something that happened in a phone call from me and him. So that leaves me wondering who is behind all this? And first I thought it was the CIA, and now for reasons we don't have time in this show, I think it's maybe a force higher than the CIA. There are –

*Catherine:* I agree.

*Peter:* There are these dark forces, and they're tied up with economics. They're tied up with politics, and ultimately it's violence – and it's violence that tiers an open society based on forces of persuasion. That's the ultimate choice for – of forms of power. Hard power, soft power – America has plenty of both. America could be a great influence in the world if it would resolve to deal with the rest of the world through its soft power, which is not minimal by any means. But anyway, you can't get my book down into a one-hour or half-hour.

*Catherine:* Oh, I know. It's fabulous! And for people looking for a great book –

*Peter:* Can I say one more thing that I get into at the end –

*Catherine:* Okay.

*Peter:* – is the privatization of enforcement. I have a whole chapter about private agencies. And there's been – and then – and about serious erosions of liberty, particularly since 1980, which was a real turning point.

*Catherine:* Yes, it was.

*Peter:* I'm being used to having my phone tapped and things like that. I never particularly worried when it was the CIA and the FBI because I was not ashamed of what I was doing, and I didn't mind if they knew. But I'm more worried now when it's private agencies who are in the business of surveillance of Americans for profit. A profit motive is a bad motive because they have a stake actually in disorder and mistrust and fear. I take one corporation alone, SAIC, but there are a great

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many of them. And at the same time, now America has become – as we've been reading in the papers recently, we have militarized the surveillance of America.

We used to have Posse Comitatus Act which forbade a regular use of the army for these purposes. That's been overridden now since 9/11. Well, we haven't said very much about 9/11, but the changes in our constitutional situation that happened with – after 9/11 with the proclamation of an emergency still enforce and rules of continuity of government which have been expanded since 9/11 mean that we now have – America is now a military district. NorthCom, which is overseen and surveilled by a military command the way that Latin America – and we have SouthCom in Latin America, CentCom in Central Asia. This is a very un-American turn of affairs, and what I'm calling for is –

*Catherine:* Yes, we've become a global district in the empire, and they're trying to get us on the same legal model as all the other districts.

*Peter:* Right – the thinking and the planning and the operations at the top of government are so remote now from – and so unresponsive to the concerns of people, it's not surprising. It's really, I would have said, predictable that you would get movements like the Tea Parties on the right and now the Occupy Movement, so they're going to try to do something about this. They are – both of them, I would say, are far more American than the kind of thinking that's going on in the highest places of government right now.

*Catherine:* Peter, I know we're overtime, but we have one question about privatization, but you just answered it. I had a great question about privatization, but we have another that I'd love to just get a quick answer from you before we go. Would you say that – this is from a subscriber – would you say that Fidel's longevity has something to do with the CIA drug-related connections dating from the end of the '40s? In fact, the U.S. voted in favor of Cuba Castro being admitted to the security council of the UN just six months after he liquidated Ochoa for drug trafficking – Fidel as the CIA's most protected agent?

*Peter:* Well, my answer to that would be a little bit different but along the same lines. I think if you have a Decatur, it's very useful for him to have the CIA opposing him because then he can appeal to the – he may be unpopular, but the idea that America is going to run that country is even more unpopular. So I think that the fact that back about 20 years ago, the longest living dictators – I mean, politically surviving dictators in the world were Castro in Cuba, Kim Il-Sung in North Korea and Tito in Yugoslavia. What do these people – three people have in common?

All three cases – less so with Tito – but in all three cases, the U.S. government had committed forces to trying to overthrow them. And that meant that they could then appeal to the loyalty of their people. And the – despite the bad things that all of them did, and I think we're going to – I think the same thing is true with Iran now. The way things are, we can expect that the Iranians – they have this terrible choice between a government of Mullahs, which is very oppressive in many

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ways, and efforts by the CIA to overthrow it, which for the average Iranian will be even more unpopular, I think. So that's my answer, which is a bit different.

*Catherine:* Well, Peter, our time is up, so I want to thank you tremendously for your books, for coming on the Solari Report, for all you do. And I just want to say to everybody, if you need a great book as a present for Christmas, Peter's latest and all of Peter's books make great Christmas presents for somebody who really wants to explore the truth of American history. So with that in mind, Peter, if you could just say one more word about how we can follow you and stay in touch and keep up to date on your work.

*Peter:* I have a website. It's very simple, [www.PeterDaleScott.net](http://www.PeterDaleScott.net) – not dot-com, but dot-net. And also I have a Facebook page. I'm very clumsy with Facebook, but I try to put a few things up there from time to time. And so – and I am –

*Catherine:* And of course, we can get all your books on Amazon and the usual suspects.

*Peter:* Yes, and there's a politics page on my website which links to a great many YouTube interviews, videos, audios and articles that I publish regularly, some of which will be part of my next book, so you can read –

*Catherine:* Well, Peter, I'm going to be in California in February, and I very much –

*Peter:* I don't want to close. Catherine, I'm sorry. I wanted to say, you know, I listened for the first time to the Solari Report. I found it fascinating, so I look forward to following you in what you're doing.

*Catherine:* Well, you now have a complimentary subscription.

*Peter:* It actually fits very well with what I'm doing. I mean, you and I from different starting points are poking at the same unresolved mystery at the heart of America.

*Catherine:* Oh, I know. So we're – I'm coming in February, and we're going to continue this dialogue.

*Peter:* Absolutely.

*Catherine:* Unraveling and bringing transparency to everything.

*Peter:* Okay – thank you very much.

*Catherine:* Okay, Peter, have a wonderful, wonderful holiday. And best to your wife.

*Peter:* Same to you. Bye-bye.