

## ДЪРЖАВНО КОНТРОЛИРАНАТА ПРЕСТЪПНА ДЕЙНОСТ КАТО ИКОНОМИЧЕСКО ОРЪЖИЕ

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**Резюме:** Съвременният свят се намира в тежка криза, причинена от намаляването на ефективността на капитала. Основната причина е ограничената възможност на правителствата да провеждат ефективна монетарна политика, насочена към субсидиране на структуроопределящи индустрии или кредитиране на потреблението. Наличието на ядрено оръжие също силно ограничава военните възможности за завоюване на ресурси, разрушаване на икономиката, с последващо участие в нейното възстановяване. Тези условия определят икономическите войни като основен инструмент за въздействие върху противостоящата страна. Една от целите им е загубата на качествена характеристика и довеждане до статута на развиваща се страна с тотална деградация на обществото. За постигането на тази цел основно средство е държавно контролираната престъпна дейност.

**Ключови думи:** разузнаване, престъпни мрежи, инфилтриране, кризи, нелегален трафик

## STATE-CONTROLLED CRIMINAL ACTIVITY AS ECONOMIC WEAPON

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**Abstract:** The contemporary world is in a severe crisis caused by the decrease in the efficiency of capital. The main reason is the limited possibility of governments to conduct an effective monetary policy aimed at subsidising structural industries or crediting consumption. The presence of nuclear weapons also severely limits the military's ability to capture resources, destroy the economy, and subsequently participate in its recovery. These conditions define economic wars as the primary tool for influencing the opposing side. One of their goals is the loss of a qualitative characteristic and bringing it to the status of a developing country with a total degradation of society. To achieve this goal, the main means is state-controlled criminal activity.

**Keywords:** intelligence, criminal networks, infiltration, crises, illegal trafficking

## **Introduction**

The Russian economist Mikhail Khazin attributes the hopelessness of the existing socio-economic system to an economic crisis associated with a fall in capital effectiveness, which began in 2008. (Khazin, 2020) The main problem is that, unlike the previous crises, this one cannot be overcome even with an extensive increase in the markets by increasing the sales of existing ones, nor by expansive expansion through sales in new geographic regions. On the one hand, the central banks of the "Western" countries cannot use monetary policy instruments since the issuance of new funds will lead to a rise in inflation. Thus, the possibility of subsidising structural industries or crediting consumption is limited. At the same time, the increase in interest rates will lead to the impossibility of servicing external debts, which significantly exceed the GDP of the respective countries. On the other hand, markets are finite, i.e. can no longer expand physically. At the same time, the presence of nuclear weapons deters global competitors in their pursuit of mutual elimination to secure resources and subsequently participate in economic recovery. In these conditions, economic warfare becomes the primary tool for protecting one's economy and destroying or causing unacceptable damage to the economies of opposing countries.

In the 1980s, economic warfare was considered to be "...the use of economic weapons to achieve strategic goals.", and it can be divided into two parts. The first is an economic war to achieve private economic goals and is concluded with the problems of oligopoly and monopolistic competition. This has been extensively explored by general economic theory (Shubik, et al., 1986). The second type of economic warfare is undertaken by governments to achieve certain national goals and is an element of national strategy.

Economic warfare is a unique strategy employed by countries at war to harm their enemies' economies. Economic blockades, embargoes, and boycotts are frequently used in such a war to achieve strategic goals. For millennia, the traditional approach to economic warfare has been to destroy crops in hostile territory, seize cattle, and enslave the local population. (Юсєв, 2022)

The goals of economic warfare are diverse and complex to track, and often some are covert and far-reaching. To a certain extent, they coincide with the objectives of classical wars, largely expanded due to their significantly more diverse toolkit.

In general, according to the degree of impact and the scale of the tasks, economic wars can be divided into:

- the complete physical destruction of the enemy and conquest of his territory;

- loss by the opponent of his qualitative characteristic;
- shift from leading positions to the status of a developing country.
- giving negative dynamics to all aspects of social development: science, culture, demography, economy, finance, etc.
- weakening of military power;
- weakening of economic power;
- making the economy of the adversary country dependent on economic development.

Often in the complicated complex covering the means and objectives of economic wars, their main goals can remain hidden. These goals can be grouped into two areas – political and social. The division follows the characteristics of a main event, playing the role of a trigger, without the manifestation of which a series of historical events will not be launched. The means used cannot be precisely classified because economic wars are fought without rules. Among them, a special place is occupied by "state-controlled criminal activities", again with the proviso that many other forms are also observed in it, such as "active measures", "cyber attacks", and "intelligence", which have an accompanying and reinforcing function or even manifest as an effect, like social upheavals. This particular situation is due to the fact that "state-controlled criminal activity" serves as the framework around which the total decomposition (social, economic, political, and even discrediting of the genetic fund) of the opposing nation is set.

In this study, the focus is on drug trafficking, but with the caveat that it is only the basis of criminal activity controlled by states. The other, no less important, with all the accompanying problems, criminal areas such as trafficking in weapons, people, money laundering, etc., predominantly use the already built criminal network.

## **Background**

The history of Chinese civilisation is covered by the years in the world's history. Historians often joke that every significant discovery has its Chinese counterpart, but several hundred years older. And the Chinese state, like all ancient civilisations, has its moments of peak and decline. The economic expansion of the colonial empires of the 19th century did not bypass China. Among the events of that time, a special place is occupied by the so-called Opium Wars. These were conflicts of an entirely new type, in which the struggle was not for the conquest of territories but for the control of resources and markets. (Накратко, 2018)

China established profitable economic relations with European countries in the first half of the 19th century. Chinese products were desired and valued in European markets. Various unique goods were imported from China – tea, porcelain, silk, etc. As the dominant maritime and commercial power at the time, Britain did not accept China's independent trade policy, where only one port was available to Europeans through the mediation of a guild of 12 Chinese merchants. Direct sales of European products were prohibited in China. Only Russians selling expensive furs and Italian glass merchants succeeded in this market. In general, trade with Europe had a negative trade balance, with Chinese goods being paid for in silver. The British Empire could not accept this. The ongoing negotiations had no effect. The Emperor of China wrote to King George III of England: "We have all we can desire and need not the goods of the barbarians." (Накратко, 2018)

The haughty attitude of Chinese diplomacy also hindered finding a solution to the problem. When conducting official correspondence with foreign heads of state, the letters of Chinese emperors ended with the phrase: "Tremble, obey, and dare not show disrespect." Rhetoric that Britain in the middle of the 19th century could not accept.

The English, who were not used to backing down and had extensive experience in conquering a vast empire, decided to impose their power over China with the help of opium. In the Indian province of Bengal, they grew the opium poppy and used the drug in various rituals. The British, who controlled India, decided they could simultaneously increase the financial profit from the colony and achieve the desired effect in China.

From 1773, Bengal opium could only be purchased from the British East India Company. There was a complete ban on the trade and use of opium in China by the time the Corporation's emissaries began to sell it there illegally in 1775. Nevertheless, the British East India Company increased smuggling despite the embargo from 1.5 tons a year in 1775 to 1,500 tons per year in

1830. By 1833, the goal of a positive trade balance with China was achieved only by the drugs sold. New rivers of opium began to flow after the government ended the British East India Company monopoly in 1834.

The Chinese emperor, who believed himself to be the lord of the entire world, learned what was happening too late. The empire's extensive data collection on the opium problem painted a grim picture: millions of people at all levels, including soldiers, administration, and members of aristocratic families, used opium. Drug deliveries were organised, including through the use of corrupt government officials. The officers involved in the scams removed anyone who tried to interfere with the smuggling in any way. Twenty to thirty percent of provincial and ten to twenty percent of metropolitan officials were drug addicts. Between 50 and 60 percent of workers in some places were involved in opium trafficking and use. The situation was much worse in the army.

Lin Zixu was appointed by the emperor to the position of Imperial Plenipotentiary Extraordinary in 1839 to combat the opium traffic. He acted boldly and decisively after arriving in Guangzhou, the only port open to foreigners. Large stocks of the drug were concentrated in the warehouses of English and American traders. When the demand that the opium stocks be handed over was refused, he used the army to blockade the warehouses and confiscate the opium. As a result of the operation, more than 19,000 crates and nearly 2,000 bales were seized.

Traders had been given the option to continue doing business with China, but only if they agreed to stop the opium traffic completely. The official even promises to offset the losses from the confiscated drugs with expensive Chinese goods for those who accept the deal.

But the situation was out of control. People close to the emperor, who were also involved in drug trafficking, urged him to "stop bothering the business". Aggressives, on the other hand, advocated the expulsion of Europeans from China. In Lin Zixu 's view, complete isolation would only give Britain the pretext for war it sought. However, it turned out that he did not have the power to influence the emperor's decisions, and in December 1839, the emperor issued a decree that completely isolated the country and closed it to foreign traders.

The British Empire declared war on China in April 1840. A flotilla of 40 ships carrying 4,000 troops sailed from India to China that same month. The United States of America supported Britain's claims.

The Chinese army numbered over 880,000 men. However, it was scattered throughout the empire. It also has been decades since it has fought a war. This was reinforced by the fact that the

widespread use of opium led to complete degradation. English traders supplied new quantities of the drug almost free of charge to the regions where the Chinese army was stationed in the run-up to hostilities.

The English army, well-prepared and even better-armed, defeated the Chinese forces in a series of battles. Resistance was broken, and British troops were outside the walls of Beijing in August 1840, forcing the Emperor to accept negotiations with the British. (Накратко, 2018) The emperor issued an order to resume trade with the English, ending the fight against opium smuggling and removing Lin Zixu from his positions. (Накратко, 2018)

The emperor tried to prolong the negotiations and abandon the concessions made. An English expeditionary force operated in several Chinese provinces between 1841 and 1842, capturing city after city. The British arrived in Nanking, the capital of southern China, in early August 1842 and forced the emperor to agree to all their demands. (Накратко, 2018)

The Treaty of Nanking, which stipulated that China would pay reparations in silver worth \$21 million, was signed on August 29, 1842. This was a significant amount at the time. China must also compensate six million dollars for the destroyed opium. Furthermore, China had pledged to open five ports to foreign traders, and both foreigners and Chinese employed to work for them were exempt from Chinese legal jurisdiction. In addition, China ceded control of Hong Kong to Great Britain.

After the First Opium War, a civil war known as the Taiping Rebellion broke out in China, lasting 14 years. It cost the lives of tens of millions of Chinese and, from a modern point of view, is the second-largest military conflict in world history in terms of the number of victims.

The reason for the beginning of the Second Opium War was the detention in 1856 of the British-flagged ship "Arrow" for piracy, smuggling, and trade of opium. Twelve people were arrested, and, despite British insistence, they were not released. After this incident, there was a good enough reason to declare war, this time involving the United States, France, and the Russian Empire in the conflict.

The Treaties of Tientsin were a set of agreements between China and Great Britain, the United States, France, and the Russian Empire, signed after the defeat of the imperial armies on May 20, 1858. The treaties provided for six new ports to be opened to foreign merchants, foreign merchants were allowed to travel freely throughout China, all foreigners charged with any crime

shall be handed over to the consulates of their respective countries and tried according to their laws, and the Chinese Government should pay all military expenses.

Opium plunged China into a nightmarish crisis that lasted for decades, with the decay finally proving irreversible by the mid-20th century.

## China's Revenge

In 1990, the first edition of Joseph D. Douglas's book *Red Cocaine, The Soviet Drugging of America and the West* (Douglass, et al., 1999)<sup>1</sup> From its text it becomes abundantly clear that the author is a maniacal anti-communist who sees the lurking spectre of the enemy in every a shadow of the otherwise "perfect" Western society. Regardless of its bias, it is packed with facts and examples that provide a rationale for the causes and technologies of many events of the 20th and 21st centuries.

In 1928, Mao Zedong, the Chinese Communist leader, instructed one of his trusted subordinates, Tang Chen-lin, to begin cultivating opium on a large scale. Mao had two goals: bartering for necessary supplies and "drugging the white region," where "white" meant the non-communist opposition. Mao's strategy was simple - use drugs to crush the resistance in the given area. Once the capture of the region was secured, the use of all drugs should be banned, and strict controls were imposed to ensure that opium remains exclusively a tool of the state for use against its enemies. Thus, for the first time, opium began to be used as an internal political weapon against its own people in its quest to establish communism throughout China. Later, taking into account the experience of the First and Second Opium Wars, Mao directed the use of drugs against the "imperialists" as a modern phase in the Opium Wars that began in the 19th century.

As soon as power was seized in mainland China in 1949, opium production was nationalised and drug trafficking directed against non-communist countries became an official business of the new People's Republic of China.

The drug trade in China was expanding quickly. Official objectives included Japan, the continental United States, the US Military Forces in the Far East, and nearby nations in the region. The Chinese Foreign Ministry, Ministry of Commerce, and Intelligence Service were the principal

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<sup>1</sup> Dr. Joseph Douglas is a national security analyst and author who specializes in sophisticated chemical and biological warfare agents and applications, international drug trafficking, intelligence and political warfare, nuclear strategy, and defense policy. His primary area of study since the middle of the 1980s has been the cultural war's different facets, particularly the plague of illegal drugs, with a focus on its causes, infrastructure, and marketing. lecturer at Cornell University, the Naval Postgraduate School in Monterey, and the Johns Hopkins University School of Advanced International Affairs in Washington, DC. He has also worked for the US government, most notably as the Defense Institute's Defense Institute's deputy and acting head of the Office of Tactical Technologies at the Advanced Research Projects Agency. He formerly served as a member of the Weapons Systems Assessment Group, the US Army Science Board, and as a consultant for the Senate Foreign Relations Committee and the Arms Control and Disarmament Agency.

players in the early 1950s. During the time, North Korea was also collaborating with China and was a major source of drugs entering Japan and reaching US military installations in the Far East.

Japan's drug problem was getting worse by 1949. Along with Japanese authorities, the U.S. Army Forces Japan Criminal Investigation Division started disentangling the web of narcotics trafficking in Japan. In 1951, the Japanese had identified the communists in China and North Korea as the main suppliers of narcotics trafficking into their country. Together with hashish, marijuana, cocaine, and deadly synthetic stimulants like chiropon and aminobutene pharmaceuticals, this traffic also involved opium and heroin. It was thought that the toxic synthetic compounds in question were to blame for significant health issues that initially surfaced in Japan in the early 1950s.

Compared to Japan, the US was in a similar scenario. The late 1940s saw the discovery of the new traffic. After discovering the new sources, US officials started seizing large amounts of heroin in major American ports like New York, San Francisco, and Seattle in 1951. It was identified that the heroin was made in China and that Chinese people controlled the traffic.

Then a second significant increase in drug use started in the late 1950s to early 1960s. This second abrupt change occurred simultaneously with the Soviet Union's participation in the drug trade and the second growth of the Chinese drug operation. The expansion of drug trafficking and usage in the United States and other countries was not just the result of natural evolution or a phenomenon driven primarily by "consumer demand" but rather by forces that encouraged and extended consumption.

Without a doubt, the Chinese government actively promoted and engaged in trafficking. Information on the Chinese and North Korean businesses was acquired by Japanese Homeland Security, American military intelligence, the US Narcotics Bureau working with undercover Treasury Department personnel, and CIA covert agents in China. (Douglass, et al., 1999) The data made identifying sources, production and packaging facilities, traffic networks, and even management organisations easy. The intelligence services of the Soviet Union and former Czechoslovakia also infiltrated and monitored the Chinese drug operation, as well as several joint Chinese-Korean, Vietnamese, and Communist-Japanese drug trafficking operations, as it will be detailed later.

A twenty-year plan was created in 1952 after the Chinese operation was reformed. Drug classifications were standardised, promotion rules were implemented, pricing schedules

encouraging aggressive marketing were set, sales agents were dispatched, research and production were expanded, and management roles were reorganised.

Numerous departments and organisations at all levels, from national to local, supported the Chinese effort administratively, each with specific responsibilities. These organisations were in charge of managing tasks like land reclamation for production, opium development, management of storage and export preparation, statistical control and programming, finance, marketing through special representatives, international trade organisation administration, political intrigue, security, and covert operations were some of the areas covered.

The use of communist and/or ethnic Chinese people abroad, collaboration with international organised crime syndicates, abuse of diplomatic privileges, use of regular branded goods as cover, mail-order transportation, and counterfeiting or packaging with deceptive trademarks were all examples of trade and trafficking.

Drug distribution and production turned into "a potent tool for subversive activities as well as a vital source of cash." The major objectives were to finance subversive actions abroad, weaken and corrupt society in the "free" world, and destroy the spirit of American military servicemen engaged in combat in Southeast Asia.

## **A strategic approach to the drug business**

The strategy was rapidly recognised when China started its drug campaign in the late 1940s. The People's Republic of China was found to be the source, along with its trafficking routes, methods, and finally, even the underlying groups responsible for the manufacturing and distribution, when shipments were intercepted, and intelligence was acquired. In the instance of the Soviet Union, intelligence regarding the operation was kept secret for a considerable amount of time. The Soviet Union's intelligence system, which was developed in the complex environment between the two world wars and during the Second World War, was the primary cause of this. The Soviet services were kept out of the spotlight thanks to a brilliant strategy that was utilised<sup>2</sup>. The operational was controlled by the intelligence services of the allied countries, and the tactical was given to the forces and means in the countries of production and marketing. The Soviet offensive was designed to be much larger in scale than the Chinese operation, growing in strength year by year. It was the USSR that turned trafficking into an effective political and economic warfare and intelligence weapon. Moreover, this was achieved without the West suspecting Soviet involvement until 1968, when information leaked from those directly involved in the leadership of the narco-offensive at the strategic level. The source in question was Major General Jan Seyna, who fled Czechoslovakia to the United States in February 1968 on charges of corruption and misappropriation of funds. Nevertheless, he was a party and military official of the highest decision-making level. He regularly met with the highest officials in the Soviet Union and other communist countries. In addition, he was present during the initiation, planning, and execution of Soviet drug trafficking operations.

The Soviet concept of using drug trafficking and drugs as strategic weapons originated during the Korean War. During this conflict, the Chinese and North Koreans used narcotics against US military forces to undermine the effectiveness of enemy military personnel and finance combat operations. The USSR also aided North Korea in the war, although not in as obvious a manner as China.

The war provided the Soviet Union with an opportunity to study the effectiveness of American forces and equipment. Czechoslovak intelligence helped the USSR. As part of this reconnaissance mission, Czechoslovakia built a hospital in North Korea. Ostensibly built to treat the wounded, the hospital functioned as a research base for the Zpravdajská správa (Zs), the

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<sup>2</sup> Strategic, operational and tactical levels of management here are used from the military point of view.

Military Intelligence Directorate of the Czechoslovak General Staff. The findings were presented at the highest level and used for studies on the strategic military potential of drug trafficking (Douglass, et al., 1999). Nikita Khrushchev, the former leader of the Soviet Union, argued that drug use and trafficking should not only be seen as a source of income but also as a means of directly weakening the enemy. (Douglass, et al., 1999) A joint military-civilian, Soviet-Czechoslovak study was ordered to investigate the overall effects of drug trafficking and narcotics on Western society. This included its impact on labour productivity, education, the military (the ultimate goal at the time), and its use in support of Soviet Bloc intelligence operations. The potential of drugs was explored in the context of a long-term strategy. Costs and risks, benefits and profits, and integration and coordination with other operations were identified and analysed. Even the effects of drug use over several generations had been studied by scientists from the Soviet Academy of Sciences. (Douglass, et al., 1999)

The conclusions were that the traffic would be highly effective and the most vulnerable targets were the US, Canada, France, and West Germany and that this opportunity should be taken. The Soviet Defense Council approved the study in late 1955 or early 1956 (Douglass, et al., 1999)

Moreover, the study was carried out at a time when the USSR was working hard to "modernise" the world revolutionary movement. Khrushchev believed that it had stagnated under Stalin and wanted it to be modernised to take advantage of the new world conditions associated with the collapse of colonial empires. A global strategy of revolutionary war had been developed, of which the drug war was a sub-component and could only be well understood in this context. Developing countries were often considered the main target of activities, but this was not the case. The Soviet strategy and tactics were developed for the whole world, within which the most important directions were the highly industrialised nations and, above all – the USA, as a pivot of the global political opponent.

The main updated strategy took shape from 1954 to 1956 and had five main directions. First, intensified training of leaders of revolutionary movements - civilian, military and intelligence personnel. It was founded at the Patrice Lumumba University in Moscow as one of the first measures taken to modernise the training of revolutionary leaders.

The second step was the actual training of the active units or "wars of the revolution", which Western analysts define as terrorists. The training in "international terrorism" actually began as a "liberation struggle" in the context of the decolonisation policy pursued by the Comintern. Joseph

Douglas put the logical link in the drug war backwards in order to explain his anti-communist rhetoric. According to him, the term "national liberation" was invented to replace the communist revolution movement by providing cover for what was essentially an intelligence operation. In this way, he argued, a label was secured that was semantically separate from the communist revolutionary war movement. (Douglass, et al., 1999) In fact, the logic was just the opposite. The "intelligence" operation (today they would call it a hybrid) was the means, i.e. state-controlled criminal activity, to achieve the goal of economic warfare – the complete physical destruction of the enemy.

The fourth step was to build and infiltrate organised crime and further establish Soviet Bloc-controlled and managed crime syndicates worldwide.

The fifth step was planning and preparing for worldwide sabotage. The network for this activity should be established by 1972 (Douglass, et al., 1999)

Because of the close relation between organised crime and narcotics, the Soviet entry into organised crime deserves a closer look. Moscow's decision on organised crime was made in 1955. This must be a global operation directed against all countries, not just the United States, although organised crime in the United States, along with France, Great Britain, Germany, and Italy, were prime targets. (Douglass, et al., 1999)

The main reason for the infiltration of organised crime was the assessment by Soviet intelligence that high-quality information about political corruption, money and business, international relations, drug trafficking, and counterintelligence could be found in organised crime. Essentially, if organised crime was successfully penetrated, it would gain control over politicians and information about drugs, money, weapons, and corruption of many kinds. A secondary motive was to use organised crime as a hidden mechanism for the distribution of drugs, and hence the permanent decay of the opposing society.

Research groups had been established to identify and analyse organised crime, develop strategies and tactics for infiltration, identify people for infiltration, and explore opportunities to organise or support new criminal ties. Special attention was paid to identifying population groups and regions to which the main efforts should be directed.

In 1956, the initial plan was implemented. For instance, it stated that Czechoslovakia would infiltrate seventeen distinct organised crime organisations, as well as the mafia in France, Austria, Italy, Latin America, and Germany. The infiltration scheme employed the Italian Communist Party.

During the time, the Communist Party represented 20% of the Italian police. These individuals supported Soviet intelligence agents who were infiltrating the groups. Agents of the USSR also enlisted war criminals from World War Two, particularly in South America. (Douglass, et al., 1999) According to reports, this operation was both incredibly profitable and reasonably priced.

The reasonable physical separation of strategic, operational and tactical management of state-controlled criminal activity led to complete ignorance of the intelligence services of opponents about the existence, scale, actual goals and direction of the operation being conducted.

The establishment of training facilities for drug traffickers in Bulgaria, East Germany, and the Soviet Union was one of the final actions made prior to the start of the actual mass trafficking operation. These were facilities governed by the respective national secret services of the allying nation and the KGB or GRU (Soviet military intelligence). The three-month training included the following topics: the nature, types, and quality of the drug business; manufacturing methods; distribution networks; markets and purchasers; security; and how to use intelligence networks' experience.

There were two different kinds of drug offenders in the training groups: those who lacked communist or other ideological motivations. Those recommended by the first secretaries of the major foreign communist parties made up the second group. These individuals identified as committed communists. Prior to enrollment, they underwent a thorough investigation by military or civilian counterintelligence. As their traffic was intended to further local political objectives, their training was different. Their drug trafficking (and training) was intended to assist the local communist parties' first secretary in reaching a deal with opposition figures. In Czechoslovakia, the average annual graduation rate was 80 pupils by 1968. More than 25,000 people have completed these courses in total. (Douglass, et al., 1999) The majority of the participants in the class were from Latin America, Western Europe, the Middle East, Canada, and the United States. Bulgaria's training efforts focused on the Middle East and Southwest Asia, specifically Turkey, Afghanistan, Pakistan, Lebanon, and Syria. Scandinavians and Western Europeans were handled by East Germany, and citizens from the Far East were assisted by all nations. (Douglass, et al., 1999) All costs were covered, and the course was free. Graduates used their talents when they returned to their home countries. Some people created their own operations, while others worked in cooperation with already-existing businesses. Those who sought to "flip sides" and stray were

eliminated. (Douglass, et al., 1999) They paid back a portion of their earnings to the Soviet Union, which then paid the satellites' secret services back.

The installation of the training centres marked the end of the operation's planning phase. The early Soviet narco-offensive in the late 1950s was primarily focused on several activities: developing strategies, training personnel, doing research, conducting espionage, and analysing the market. Actual traffic was used during operations for testing and research. In 1960, when a marketing strategy was created, strategic agents were trained, and local drug traffickers were trained at training facilities, the real trafficking started.

## **Building the drug business in Latin America**

The beginning of Czechoslovak narco-operation started engaging two directions South America and Asia. The Soviet Czechoslovak-Cuban operation merits special attention due to its unique significance in the expansion of illicit drug trafficking in the United States.

Only one and a half years after Fidel Castro gained power, in the late summer of 1960, his brother Raul Castro visited Czechoslovakia in pursuit of military aid and support. Cubans were initially directed to Czechoslovakia because, at the time, Cuba and the USSR did not trust one another. A contract between Cuba and Czechoslovakia stipulated that Cuba would get military equipment, military strategy and planning instruction, and management of its intelligence and counterintelligence agencies. In exchange, Cuba developed as a stronghold of revolution in the West. Following their initial training as intelligence agents, the first Cubans were given the go-ahead to infiltrate the US and every nation in Latin America. Czechoslovak advisers helped the Cubans start drug production and also helped them set up routes through Canada and Mexico, where the Czechoslovaks had good agent networks. As soon as the main Cuban drug production and trafficking operation began, instructions were received from the Soviet Defense Council to expand the offensive.

Learning more about people who had been influenced by drug trafficking was one of the main objectives of the operation. Target groups included the military, police, government, political parties, churches, and business. Other targets included academic institutions, defence-related companies, and research centres. A secondary objective was to provide the Soviets with intelligence on all drug production and distribution activities, so they could use it to apply strategic control and prevent the various independent operations from competing between themselves. This goal was also accomplished with the aid of information gathered through organised criminal infiltration.

The USSR found a lot of people who could be bought off, who were easily persuaded, and, most crucially, who "were not bothered about the implications of their conduct" when gathering information on drug users and traffickers. The data found in the files served as a great starting point for hiring spies or "agents of influence." Also, this material was utilised to discredit people and groups that were thought to be opposed to Soviet interests by their denunciation.

The information included North America and Europe, including France, Sweden, Austria, Switzerland, Italy, Great Britain, and Germany, as well as South America. The potential for

extortion and influence operations truly increased when the financial institutions that assisted in laundering illicit funds were included as a component of the corruption network.

Along with the network's growth, a campaign in favour of drug users was started, framed as an effort to uphold people's rights. In order to prevent this source of money from being connected to the revolutionary activities of the Communist Party, cadres of the party were also kept entirely apart from the drug networks and their trafficking.

The Soviet Defense Council then issued additional directives, once more via the Czechoslovak Defense Council, ordering Cuba to set up its own production and trafficking operations in various Latin American nations following the decision to have Cuban intelligence agents infiltrate all Latin American operations. This gave local operations a first-level backup. As a result, Cuba started a drug trade in Mexico and Colombia. The ensuing Cuban drug cartel was founded in Colombia and was operated by locals while still being under Cuban authority. The operation was immediately followed by its expansion to Panama, Argentina, and, with the aid of East Germany, Uruguay and Jamaica. In Chile, joint operations were also developed by Cuba and Czechoslovakia.

Salvador Allende, a Marxist senator who subsequently became president, was one of Cuba's earliest donations to the drug trade in Chile. Drug trafficking grew significantly while Allende was president. American authorities seized cocaine made in Chilean laboratories in 1973, valued at \$309 million. (Douglass, et al., 1999)

The results excited Fidel Castro, who insisted on decisive action rather than merely using infiltration and corruption to commit crimes in order to gain knowledge and shape policy. It took a lot of work to persuade people that the younger generation was the group that required the most change. They were the persons who needed to be influenced in order to alter the military, halt scientific advancement, and affect governmental leadership. This was why the United States' youth had been the primary target of the drug offence.

Cuba was engaged in the creation and trafficking of a new drug in addition to their manufacture. Raul Castro's deputy travelled to Czechoslovakia in the fall of 1963 to help get specialised machinery for the production of synthetic narcotics as part of an experimental program in Cuba and for drug production in Colombia. Raul Castro took the actual equipment when he stayed in Prague after visiting Moscow in April 1964.

The Soviets ordered the creation of several backup production and distribution networks across the region after taking different steps to infiltrate the existing drug cartels and then developed Cuban operations in South America. Colombia was the initial objective. The most significant planning guidelines and forecasts were: with assistance in obtaining the required equipment, cocaine production would start within six months; the distribution system would begin operating in less than six months; and the initial distribution would take place in the United States and Canada. Distribution would remain outside of the local market and eventually be extended to Europe.

Similar, no less successful operations followed in Mexico, Panama, and El Salvador.

The first secretary of the Communist Party of Guadeloupe and the second secretary of the French Communist Party came up with the idea of a separate operation to dispense pharmaceuticals to Caribbean vacationers. Their objectives were to extort American tourists and other members of "bourgeois society" by gathering money and information. The revenue generated by this project in the late 1960s proved to be sufficient to fund communist intelligence activities in Guadeloupe, Martinique, Suriname, Haiti, and the majority of France.

Early in the 1960s, the USSR quickly established groups throughout North, Central, and South America, as well as the Caribbean, with the aid of Czechoslovakia, Cuba, Hungary, East Germany, Bulgaria, and Poland. Romania and Albania were excluded from the formal Soviet-led offensive because no one could be sure of their allegiance. Albania wanted to take part to show off its robust intelligence network in the Middle East and the Balkans. Instead of involving Albania in the operation, however, the Soviets chose to give Albania the tools it needed to carry on as an "independent" drug promoter, another conduit through which it is challenging to identify the ultimate controller.

As a result, by the middle of the 1960s, networks of organised crime had been established that encompassed the following countries: Canada, Mexico, Panama, Argentina, Chile, Brazil, Colombia, Costa Rica, Uruguay, Paraguay, Brazil, Peru, Guadeloupe, El Salvador, the Dominican Republic, Jamaica, and the USA. However, the list should be expanded to include nations with growing organized criminal networks vital to the global drug trade. Venezuela was one such country that served as a base for planning and carrying out money laundering operations in the Western Hemisphere.

As a result, operations for creating, transferring, and laundering money were set up by the Soviet intelligence services in South, Central, and North America between 1960 and 1965. The operations were discreetly supervised by Cuban intelligence agents who generally received specialised training in the Soviet Union. Only local people who had passed stringent security clearances were utilised to carry out the operations. In Eastern European and Soviet training facilities, future drug traffickers from all over the world received training in the drug trade. Later, training facilities were built in Cuba, North Vietnam, and North Korea. These authorised felons eventually became regulated Soviet drug trafficking operatives.

Another top aim was to use narcotics to destroy the American work ethic, pride, and loyalty. Finally, narcotics usage should lessen the power of religion and, under some circumstances, be utilized to spread anarchy. The elite and the so-called "lumpen proletariat," or the unemployed who frequently turn to crime or prostitution to live, were two distinct categories against whom drugs should be used. The latter group was particularly susceptible to the allure of drugs, easy to use, sensitive to destruction, useless and a burden, and unwilling to work.

The examples provided highlight the existence of long-term Soviet-Chinese strategic operations employing narcotics to ensure the gradual demoralisation of Western culture and concurrent degradation of the gene pool, with the younger generation as the major target.

## **Conclusion**

Economic wars have been, are and will be a major part of the confrontation between entities in global politics. Developments in military technology have made all-out war between them impossible. The global paradigm is changing dynamically and the interests of many countries are at stake today. Thus, the economic means of persuading whether or not to carry out a certain policy become a basic tool of modern relations.

The historical perspective of the use of state-controlled criminal activity as an instrument of economic warfare shows that it provides opportunities for wide-ranging, practically comprehensive, achievement of state strategic goals. This applies with particular force when the objective of the economic war is decisive, such as the loss of a qualitative characteristic, displacement from leading positions or total destruction.

Unfortunately, the impossibility of many modern politicians to realize the scale and dynamics of changes in the modern world, as well as the cause-and-effect relationships of events from the near and distant past with modern processes do not allow understanding the surrounding world, not to mention the strategic direction of development. Sober analysis has been replaced by blinding Russophobia. Pragmatic relations have been replaced by murderously stubborn nihilism. Cultural, economic and political ties built over centuries are being torn apart and replaced by schizoid concepts.

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