

**HOW THE US GOVERNMENT'S FUNDING OF THE NICURAGUAN WAR LED TO
THE CRACK COCAINE EPIDEMIC IN THE US, AND THE PURSUIT FOR JUSTICE**

Elizabeth Braatz

Mark O. Hatfield School of Government

PS 591: Testing Theories in Political Science

Dr. Lindsay J. Benstead

June 15th, 2023

INTRODUCTION

In 1981, former President Ronald Reagan and his administration helped finance an armed counter-revolutionary army in Nicaragua that was fighting against the Sandinistas, which were a socialist party. The Sandinista National Liberation Front were a resistance effort that fought against the United States occupation of Nicaragua in the 1930s. The Reagan administration wanted to take an aggressive approach to fighting against the Sandinistas, so they put pressure on international aid agencies and banks to cut back on providing aid to Nicaragua. These efforts did work, and by 1982, Nicaragua faced a 90% reduction for the quota for sugar which was their traditional principal market.

Simultaneously, the Central Intelligence Agency (CIA) was developing and engaging in a program that included financing, training, and equipping the armed counter-revolutionary army in Nicaragua known as, the “Contras.” Between the years 1982 and 1986, the U.S. approved over \$181 million in aid and programs that went towards the Contra’s movement. The Reagan administration tried to keep the American people in the dark about another affair that was taking place in Iran at the same time as the Nicaraguan-Contra war. Congress had banned funding and military assistance to the Contras, but the Reagan administration found another way to fund the Nicaraguan-Contra war.¹

The Reagan administration created a “sophisticated apparatus that mixed propaganda with intimidation to mislead the American people” (Parry et al., 1988, 3). The Reagan administration was able to fund the Nicaraguan-Contra war even after Congress voted to no

¹ Hoekstra, Quint. "Helping the contras: The effectiveness of US support for foreign rebels during the Nicaraguan Contra War (1979–1990)." *Studies in Conflict & Terrorism* 44, no. 6 (2021): 521-541.

longer fund or aid the war, through arm sales to Iran.² This was one of the biggest political scandals in American political history, but what also existed amongst all the political chaos, is a purposely forgotten story that must be told. In a political and government bombshell, one investigative journalist exposed the American government for being knowledgeable of crack cocaine being trafficked back into America from the Contras in Nicaragua. Gary Webb was an investigative journalist who released a years' worth of information about the Contra war being responsible for the unprecedented increase of crack cocaine in America. In the disturbing release, Webb also argued that the trafficking of crack cocaine from the Contras were directly given to drug cartels and gangs in the Black neighborhoods of Los Angeles.³ Historically, the Nicaraguan-Contra war is discussed in its own context, but this paper will divulge the deeper complexities of this war, and how it led to the crack cocaine epidemic in the U.S. that disproportionately impacted the Black population of the U.S.

LITERATURE REVIEW

The entirety of the Nicaraguan-Contra war, arm sales to Iran, and the crack cocaine epidemic cannot be discussed without talking about Gary Webb. He is responsible for exposing, arguably, one of the biggest scandals in history. Gary Webb wrote a three-part investigative series that was published in the San Jose Mercury News in 1996, which later turn into a book in 1998. The allegations from Gary Webb's series stated that the U.S government beyond a reasonable doubt knew about drug trafficking from the Contras to inner-city Los Angeles. This type of allegation was dangerous, because simply put, it meant that the U.S. was complicit and responsible for the crack cocaine epidemic. Congresswoman Maxine Waters wrote a piece of

² Parry, Robert, and Peter Kornbluh. "Iran-Contra's Untold Story." *Foreign Policy*, no. 72 (1988): 3–30. <https://doi.org/10.2307/1148818>.

³ Vanden, Harry E. "Contra, Crack and the Company." *The Human Quest* (1996).

commentary on the series *Dark Alliance* when it was published, and it was included in Gary Webb's final book that was published in 1998. Waters says:

“The night that I read the “Dark Alliance” series, I was so alarmed, that I literally sat straight up in bed, poring over every word. I reflected on the many meetings I attended throughout South Central Los Angeles during the 1980s, when I constantly asked, “where are all the drugs coming from?” I asked myself that night whether it was possible for such a vast number of drugs to be smuggled into any district under the noses of the community leaders, police, sheriff's department, FBI, DEA and other law enforcement agencies.⁴

I decided to investigate the allegations. I met with Ricky Ross, Alan Fenster, Mike Ruppert, Celerio Castillo, Jerry Guzetta, and visited the L.A. Sheriff's Department. My investigation took me to Nicaragua where I interviewed Enrique Miranda Jaime in prison, and I met with the head of Sandinista intelligence Tomas Borge. I had the opportunity to question Contra leaders Adolfo Calero and Eden Pastora in a Senate investigative hearing, which was meant to be perfunctory, until I arrived to ask questions based on the vast knowledge I had gathered in my investigation. I forced Calero to admit he had a relationship with the CIA through the United States Embassy, where he directed USAID funds to community groups and organizations.

The time I spent investigating the allegations of the “Dark Alliance” series led me to the undeniable conclusion that the CIA, DEA, DIA, and FBI knew about drug trafficking in South Central Los Angeles. They were either part of the trafficking or turned a blind eye to it, in an effort to fund the Contra war. I am convinced that drug money played an important role in the Contra war and that drug money was used by both sides.

The saddest part of these revelations is the wrecked lives and lost possibilities of so many people who got caught up in selling drugs, went to prison, ended up addicted, dead, or walking zombies from drugs.

It may take time, but I am convinced that history is going to record that Gary Webb wrote the truth. The establishment refused to give Gary Webb the credit that he deserved. They teamed up in an effort to destroy the story—and very nearly succeeded.

There are a few of us who congratulate Gary for his honesty and courage. We will not let this story end until the naysayers and opponents are forced to apologize for their reckless and irresponsible attacks on Gary Webb.

The editors of the *San Jose Mercury News* did not have the strength to withstand the attacks, so they abandoned Gary Webb, despite their knowledge that Gary was working on further documentation to substantiate the allegations of the series.

⁴ Webb, Gary. *Dark Alliance: Movie Tie-In Edition: The CIA, the Contras, and the Cocaine Explosion*. Seven Stories Press, 2014.

This book completely and absolutely confirms Gary Webb's devastating series. This book is the final chapter of this sordid take and brings to light on of the wors official abuses in our nation's history. We all owe Gary Webb a debt of gratitude for his brave work." (Webb, 1998, x)

Gary Webb was a Pulitzer Prize winning journalist, and his work "Dark Alliance" is still regarded as the truth, or a conspiracy.

When the original article series were published in 1996, it generated a "phenomenon of public outcry, conspiracy theory, and media reaction..." (Kornbluh, 1977, 33) Major news media organizations such as *The Washington Post*, *The New York Times*, and *Los Angeles Times* all made the editorial decisions to launch an attack against Gary Webb and his published series "Dark Alliance." The news media organizations called Webb's work "unfounded" and a conspiracy; but that did not stop communities of color from asking questions.⁵ Webb' reporting, editorial and production of the story were widely criticized by major news corporations, but that did not prevent Congress and the Department of Justice from conducting their own investigation. Arguably, news media corporations and officials made premature, but intentional arguments against Webb; their claims were intended to discredit Webb, and all of the work he had compiled. Those who discredited Webb's work and labeled it as a conspiracy theory believed that his work incited "Black paranoia" which was labeled as not only a collective psychological condition, but it was backed up by historical and social underpinning such as the "AIDS genocide narratives."⁶ Historical experiences like the "AIDS genocide narrative" are referring to the historical and societal experiences of being disproportionately impacted by deadly diseases like AIDS. In 1990, based on national surveillance, 28 percent of Black people had AIDS, while only making up 12

⁵ Kornbluh, Peter. "Crack, the Contras, and the CIA: The storm over" Dark Alliance"." *Columbia Journalism Review* 35, no. 5 (1997): 33.

⁶ Bratich, Jack Zeljko. "Trust No One (On the Internet) The CIA-Crack-Contra Conspiracy Theory and Professional Journalism." *Television & New Media* 5, no. 2 (2004): 109-139.

percent of the American population. The trauma of the AIDS epidemic was the lack of policy support from the American government, lack of medical care and drive to find a cure, as well as the stigmatization of the disease by politicians and media. Being diagnosed with AIDS almost always resulted in death. The historical significance of this epidemic was the lack of action, until there was an increase of white people began being diagnosed with the deadly disease.⁷

Crack cocaine was not a drug phenomenon that suddenly appeared during the 70s and 80s. Cocaine existed decades, possibly even centuries before it boomed in the 70s.⁸ In the 60s and 70s, cocaine was more of an elitist drug because it was primarily used by white people; even in cinema films it was portrayed as only being used by white people. Using cocaine was socially acceptable because it was predominantly being used by white people. Whether people were using it while out partying on the weekends, or on Wall Street, cocaine was acceptable because white people made it acceptable. When crack cocaine started being trafficked in bulk shipments from Nicaragua to the U.S., it had to be distributed effectively to keep up with the continuous shipments; it became a supply and demand system. Between the years of 1982 and 1985, the trafficking of cocaine went up by 50 percent, each year roughly 62 tons of cocaine was entering the U.S. Due to the high insurgence of the drug, prices for cocaine dropped immensely.⁹ In the documentary: *Crack: Cocaine, Corruption & Conspiracy*, a former drug dealer, Samson Styles, recounts his experiences of questioning how crack cocaine was getting into the streets of

⁷ Jones, Gareth, Richard W. Steketee, Robert E. Black, Zulfiqar A. Bhutta, and Saul S. Morris. "How many child deaths can we prevent this year?." *The lancet* 362, no. 9377 (2003): 65-71.

⁸ Gootenberg, Paul, and Liliana M. Dávalos, eds. *The origins of cocaine: Colonization and failed development in the Amazon Andes*. Routledge, 2018.

⁹ Stanley Nelson. 2021. *Crack: Cocaine, Corruption & Conspiracy*. Accessed May 8, 2021, on Netflix

America at such alarming rates. He said, "...one Cuban cigar couldn't make it into the United States, one little Cuban cigar. But you can't stop these tons of cocaine from coming in? It was definitely bigger than just the streets" (Nelson, 2021). Crack cocaine became a cheaper drug by taking cocaine and cooking it with another powder base which made the powder or rock substance more highly addictive, but shorter lasting; it was not only physically addictive, but it made the substance economically addictive. Crack cocaine became accessible for minoritized communities, and it grew rampant not only within South Central Los Angeles, but primarily within inner cities across the country. It became an epidemic known as the "Crack Cocaine Epidemic" because media coverage was done primarily amongst minoritized communities. It completely altered how white cocaine consumption was viewed, and the "Crack Cocaine Epidemic" played right into Regan's reactionary policies.¹⁰

The Nicaraguan-Contra war holds in immense amount of responsibility for causing the "Crack Cocaine Epidemic" which triggered reactionary policies that only furthered adversities, racism, discrimination, incarceration, and many other barriers for minoritized communities. Gary Webb's work on "Dark Alliance" is inseparable when discussing the Nicaraguan-Contra war and the "Crack cocaine Epidemic. Webb put his investigative journalism career at risk, to expose abusive behavior at the highest levels of American government. It is important to note that the major media corporations that set out to discredit Webb's work and question his journalism skills resulted in not only the end of his journalism career, but in 2008, Webb unfortunately committed

¹⁰ McCann, Bryan J. "Genocide as Representative Anecdote: Crack Cocaine, the CIA, and the Nation of Islam in Gary Webb's "Dark Alliance"." *Western Journal of Communication* 74, no. 4 (2010): 396-416.

suicide. In the years since his death, there is more information and sources that have surfaced that validate Webb's claims.¹¹

In contemporary society, his work is either interpreted as a conspiracy theory, or the truth, of how crack cocaine surged in the 80s and 90s; but it is indisputable, that Webb's work fundamentally changed how we discuss and think about the "Crack Cocaine Epidemic" in the social and academic world.

RESEARCH QUESTION

How did the Nicaraguan-Contra war lead to the surge of cocaine shipments into the United States of America in the 80s?

RESEARCH DESIGN

Based on the research question, I would be able to utilize both quantitative and qualitative data. Earlier in the paper, I included statistical data of how much cocaine was being imported from Nicaragua into the United States between. Between the years of 1982 and 1985, cocaine importation had increased by 50 percent, and each year there was 62 tons of cocaine being imported from Nicaragua into the U.S. My research question is not heavily data driven, but pertaining to quantitative data, there is significance when examining government spending, and the quantity of how much cocaine was entering the U.S in the 80s. Additionally, in the continuation of this research, it would require more in-depth research on any documentation that is available regarding the selling of American weapons to Iran. The revenue that was made from selling American weapons to Iran was used to fund the Nicaraguan-Contra war after the

¹¹ Schou, Nick. *Kill the Messenger: How the CIA's Crack-Cocaine Controversy Destroyed Journalist Gary Webb*. Bold Type Books, 2009.

American Congress decided to not longer fund the Nicaraguan-Contra war.¹² While that type of many not be quantitative data, providing qualitative data and documentation of the sales that occurred between the U.S. and Iran would be extremely important in maintaining the validity of this research question. The “Iran-Contra” affair is not a theory, it was also exposed to the public when it originally occurred, but what the public did not know was that the same planes that were used to transport American weapons to Iran to be sold, landed back in Nicaragua where they were loaded with cocaine, and flown back to the U.S.¹³ where it was then disbursed into the streets of America.

The primary methods for gathering data on this research question will be done qualitatively. Throughout my research during the literature review, I found that the most valuable information that would contribute to this line of research, would be to utilize qualitative data. There are not publicly available government documents that support what I am wanting to prove through this research question, it is supported by researchers, and the experiences of the people who suffered from the “crack cocaine epidemic.” While this concept was not included within my research, the inevitable outcome from this research question is examining how the “Crack Cocaine Epidemic” disproportionately affected (and continues to affect) the Black community.

The deeper concepts I would address by utilizing this research question is the impact the “Crack Cocaine Epidemic” had on the Black community, how the Black community perceived the “Crack Cocaine Epidemic”, and how the epidemic catalyzed reactionary policies that disproportionately harmed the Black community.

¹² Parry, Robert, and Peter Kornbluh. “Iran-Contra’s Untold Story.” *Foreign Policy*, no. 72 (1988): 3–30. <https://doi.org/10.2307/1148818>.

¹³ Benoit, William L., Paul Gullifor, and Daniel A. Panici. "President Reagan's defensive discourse on the Iran-Contra affair." *Communication Studies* 42, no. 3 (1991): 272-294.

Going back to the documentary I included earlier in this paper: *Crack: Cocaine, Corruption, and Conspiracy*, this documentary is and will continue to be an important part of my qualitative research. The individuals included in this documentary were ranging from drug dealers, celebrities who used cocaine, mothers who had their children taken away during the height of the epidemic, and many more who all have valuable experiences from that epidemic, and how it forever altered their lives. A woman named Susan Burton, shared her experience from the “Crack Cocaine Epidemic”, and it touches upon the complexities and severity of how much this epidemic impacted, and altered minoritized communities. Burton said:

“Why was our community saturated with such a devastating chemical? I’ve heard of chemical warfare and that was kind of like chemical warfare on Black communities. Where did it come from? And most of all...why?” ... “I was arrested for being in possession of a controlled substance. And that substance was crack. You know, I remember my leg being pulled on about 3:00 in the morning and woken up to be dressed to be shipped off to prison. Me and about 70 other women, put into a large room, stripped out of our clothing. Every part of our body looked at, and then chained together in this long chain and put on a bus early in the morning. And driven off to this place that I’ve never been before, I don’t know where I am going. And as I’m taking this trip, I’m thinking about my ancestors and I think, what progress have we actually made?”¹⁴ (Nelson, 2021)

I chose this research question because I wanted to start with the bigger picture of what created the “Crack Cocaine Epidemic.” It was not something that came out of thin air, and more importantly, it never began with the Black community, it actually began with the majority population of the U.S., but U.S. policies were created to persecute Black and other minoritized communities for the same actions, as white people.

¹⁴ Stanley Nelson. 2021. *Crack: Cocaine, Corruption & Conspiracy*. Accessed May 8, 2021, on Netflix

Earlier in this paper I included a short testimony from Congresswoman Maxine Waters stated. She said that the actions of Gary Webb were very brave, and one day, hopefully, as Americans we will be indebted to the work of Gary Webb. The data, documentation, and the stories are readily available to research, and continue building off of existing data. I would not modify the existing data collection, but I would build off of the existing data with a more contemporary analysis. As mentioned earlier, while there is not much public government documentation, it will be imperative to rely on existing researcher's data, and possibly even conduct surveys and interviews to gather a more contemporary picture of how the "Crack Cocaine Epidemic" has impacted people, and their families.

The "Crack Cocaine Epidemic" is going to be studied and analyzed differently, especially if the researchers do not hold the same identities as those affected by the content of the research. In the case of my research question, some researchers who are white may not entirely grasp the severity and complexities of the "Crack Cocaine Epidemic" and its impact on minoritized racial groups. Both topics are social constructs, bias, and perception can impact the content and validity of research.

This research question is meant to exist as the first domino, and with its momentum, it will continue knocking down other dominos that are impacted. In the continuation of this research, my intention would be to highlight that even within social constructs, there is an importance to examine why they were created, who they impact, and how to mitigate the long-lasting effects of intentional, harmful, social constructions. Gary Webb simply asked the question, why? His work is fundamental to this research, and I hope to continue this research question, and all of the constructs and complexities, that are beneath the surface.

REFERENCES

- Benoit, William L., Paul Gullifor, and Daniel A. Panici. "President Reagan's defensive discourse on the Iran-Contra affair." *Communication Studies* 42, no. 3 (1991): 272-294.
- Bratich, Jack Zeljko. "Trust No One (On the Internet) The CIA-Crack-Contra Conspiracy Theory and Professional Journalism." *Television & New Media* 5, no. 2 (2004): 109-139.
- Hoekstra, Quint. "Helping the contras: The effectiveness of US support for foreign rebels during the Nicaraguan Contra War (1979–1990)." *Studies in Conflict & Terrorism* 44, no. 6 (2021): 521-541.
- "How many child deaths can we prevent this year?." *The lancet* 362, no. 9377 (2003): 65-71.
Gootenberg, Paul, and Liliana M. Dávalos, eds. *The origins of cocaine: Colonization and failed development in the Amazon Andes*. Routledge, 2018.
- Jones, Gareth, Richard W. Steketee, Robert E. Black, Zulfiqar A. Bhutta, and Saul S. Morris.
- Kornbluh, Peter. "Crack, the Contras, and the CIA: The storm over" Dark Alliance"." *Columbia Journalism Review* 35, no. 5 (1997): 33.
- McCann, Bryan J. "Genocide as Representative Anecdote: Crack Cocaine, the CIA, and the Nation of Islam in Gary Webb's "Dark Alliance"." *Western Journal of Communication* 74, no. 4 (2010): 396-416.
- Parry, Robert, and Peter Kornbluh. "Iran-Contra's Untold Story." *Foreign Policy*, no. 72 (1988): 3–30. <https://doi.org/10.2307/1148818>.
- Stanley Nelson. 2021. *Crack: Cocaine, Corruption & Conspiracy*. Accessed May 8, 2021, on Netflix
- Schou, Nick. *Kill the Messenger: How the CIA's Crack-Cocaine Controversy Destroyed Journalist Gary Webb*. Bold Type Books, 2009.
- Vanden, Harry E. "Contra, Crack and the Company." *The Human Quest* (1996).
- Webb, Gary. *Dark Alliance: Movie Tie-In Edition: The CIA, the Contras, and the Cocaine Explosion*. Seven Stories Press, 2014