

5 percent of the vote and a few Parliamentary seats.

The response to these drug-glorification campaigns was launched Oct. 5 at the founding of the Italian Anti-Drug Coalition in Milan. There, 150 attendees of the founding conference signed a telegram to Minister Altissimo denouncing his free-heroin proposal and threatening to remove him from government.

The Italian Communist Party (PCI) has yet to make a serious and energetic commitment to ending the drug plague. While it has long maintained a policy of hostility to illegal drugs parallel to the party's collaboration against terrorism with the ruling Christian Democrats, this policy is based on the commitment to morality and progress dominating the party's trade-union base. The youth membership, in the absence of a conceptual battle by the PCI's leadership emphasizing the threat to the creative powers of the mind, is very vulnerable to the kind of campaign being fought by the Radicals.

This ambivalence showed in the Oct. 20 conference in Milan sponsored by the PCI on drug abuse. Keynote speaker Faustino Boioli, a PCI provincial councilman and health expert, called for an internationally coordinated campaign against both "controlled administration" of heroin and against marijuana and hashish decriminalization. His reasoning was that "drug multinationals," organized along the lines of "the most rational modern business methods," would not be hurt in the slightest if "liberalization" measures were passed.

On the other hand, a PCI faction which advocates promoting "humanitarian" conditions for narcotics consumption told the conference lurid stories about drug overdoses and insisted that "something must be done" along the lines prescribed by Health Minister Altissimo to prevent heroin overdosing.

This approach contrasts sharply with that of the European Labor Party. The ELP, which is at the center of the "Stop Dope, Inc." fight in Italy, provided the inspiration for the Anti-Drug Coalition and the methods it uses. Its International Bulletin, "Who Finances the Drug War," is in its second printing and has sold over 500 copies since early October.

The bulletin lays out in minute detail which banks, insurance companies, real estate firms, politicians and businessmen internationally sit on the board of directors of "Dope, Inc."

In West Germany

In the Federal Republic of Germany, the drug plague has reached proportions similar to those in Italy. Social Democratic and Free Democratic deputies in the national parliament, the Bundestag, have introduced measures calling for a crackdown of the type West Germany launched against terrorism. Meantime, Interior Minister Gerhard Baum is in Yugoslavia, discussing methods of stopping drug flows into the Federal Republic from that country.

America vs. Britain over the drug trade

In its Oct. 1-15 issue, the French journal Tendances et Conjoncture published this analysis of the fight in the United States over the attempt by British drug-linked banks to take over U.S. banks. The article, "English and American Banks Fight Over Narco-Dollars" by Jacques Houbart, uses as its major reference Dope, Inc., the bestselling book published by the New Benjamin Franklin Publishing House in 1978. Its publication at this time is significant; the bimonthly magazine is an economic analysis journal linked to the Gaullist faction in France.

The fight is not between American and English bankers. The economic retreat of Great Britain and the weakening of its industrial productivity have not cut into the imperial punch of the City, which up to the eleventh hour intends to use its monetarist trump card. Last May, the Joan of Arc of New York, Superintendent of the banking authority of the State of New York, raised the flag of the revolt, opposing the takeover of American banks by British establishments. The issue is all the more delicate in that the establishments in question are accused of practicing the laundering and recycling of "narco-dollars" on a large scale.

By opposing the British takeover of important sectors of their banking activity, the Americans are confronting fearsome adversaries. Not only does the City of London play a strategic role in the movement of Eurodollars ... but it is especially the world capital of "off-shore" financing, the mecca of "fiscal paradises," which under the control of the City, drains some rather unorthodox liquidities.

Among the 10 main "off-shore centers," Panama is the only one which is not under British control. Of the three banks which have made buying proposals—the Hongkong and Shanghai Banking Corp., which wants to take over Marine Midland Bank, the Standard Chartered Bank, which wants to control the Union Bank of California, and National Westminster which is also targeting the UBC—the first two dominate operations in Hong Kong, the Far East banking capital.

After the March 16 approval of the projected operation by the Board of Governors of the Federal Reserve, a lively polemic began between the President of the Fed and Superintendent Siebert, the latter stressing the danger represented by possible foreign pressure on the monetary policy of the United States. Certain American circles indicate in effect that the list of

directors of HongShang and Standard Chartered reads like a Who's Who of the Foreign Office and the British intelligence services.

Last May 11 a public declaration from the Association of Independent Bankers of the State of New York as well as the position taken by Attorney General Abrams came as encouragement to Muriel Siebert's attitude. In the weeks that followed, Muriel Siebert's popularity spread among the ranks of small American bankers, then in the Association of Bankers, especially when the pressures exerted in London to force the hand of the Americans were learned. Hadn't an official of Citibank in London declared in an interview in the *Executive Intelligence Review* March 27, 1979 that "not a single American bank wants to see its name in the press as having opposed the penetration of British banks in the United States ... at least no bank which does an important volume of its business abroad."

Banking mystery

When the Board of Governors of the Federal Reserve requested information on the "nonpublished" reserves system of HongShang before giving its agreement last summer, they were told, in a letter dated Aug. 29, that the information request could not be communicated because of "banking secrecy," and the Hong Kong authorities intervened with the same message.

For many observers if there is banking secrecy, there is no mystery: as the authors of the recently published *Dope, Inc.* wrote, after having noted that during 1978 exports from the English colony were in the order of \$8 billion, "one cannot add credibility to the myth according to which the economic boom in Hong Kong is due to cheap electronics and textiles."

The world's biggest business

The American circles which oppose the offensive from the offshore centers, insist that their intentions are not chauvinistic. They simply recall that, especially since the Vietnam war, their country has become the principal drug market.

World consumption of drugs represents a market of \$200 billion per year. According to sources in the Drug Enforcement Agency (DEA), about 700 tons of crude opium are produced annually and exported from the world's most important area for the cultivation of poppy, the Golden Triangle, a mountainous region whose limits are made up in the south by China's Hunnan, the northern provinces of Thailand, and Burma and Laos. This production means the refining of 70 tons of heroin ... but less than half is transformed, the rest being sold in the form of a morphine base or opium essentially to be smoked, particularly by oriental consumers.

Three tons of heroin suffice for annual American consumption, and another three for the heroin addicts of other countries in the OECD.

At street level resale value, heroin is worth 366 times its weight in gold, and the profits are enormous. In addition, one has to add the trade in illicit nonopiate products ... for example, the Colombian marijuana harvest....

In a word, the narcotics market is more important than the oil market and represents \$200 billion in world trade.

The mere presentation of the facts engenders the following conclusion: only an enormous consortium of financial and commercial institutions can manage such activity. We must also add that, the offer of opium being much greater than demand, only a strict regulation—thanks to important inventory, too infrequently unmasked—is capable of preventing brutal price fluctuations. There is no equal to this organization other than (De Beer's) Central Selling Organization, which controls 85 percent of the diamond market and rigorously controls prices.

The Americans who want to set up obstacles to the Hong Kong bankers are not afraid of politicizing the debate, at a time when the first skirmishes of the presidential electoral battles are being fought. They notably point out that most of the movement of funds from Communist China pass through Hong Kong, precisely thanks to the services of the two banks in question, the Hongkong Shanghai Bank and Standard Chartered. ...

The antimonetarist current

Does the big turn in Communist China indicate a closing of the "narco-dollars" spigot? It is difficult to say for sure, but what is certain is that the banking conflict between Anglo-Americans is a symptom of the highest interest, one which could be as heavy with consequences as the 1765 protests against the Navigation Act and the Stamp Act.

One of the most brilliant American economists, and leader of the Laborites of the other side of the Atlantic, Lyndon H. LaRouche, has seized the opportunity. In supporting Muriel Siebert, the author of *Dialectical Economics, The Case of Walter Lippmann*, and "Beyond Psychoanalysis" reiterates his criticism of monetarist manipulations and his conception of a capitalism which would essentially be indexed to creativity and technological progress. By the same token, he is opposed to Marx who, duped by the British monetarist model, attempted to apply linear mathematical systems to nonlinear social processes.

Supported by various unions, including the Teamsters union, and by black organizations, including the Muslims, LaRouche is presenting himself in the next presidential elections. Does he have a chance of disturbing the parade of the big two parties? What we can say for sure is that the present crisis, by unveiling the cracks in the world economic system, offers an historic chance to those who show a way out.