
Drug Cartels

Kissinger's mission to South America

by Mark Sonnenblick

Henry Kissinger closeted himself in Rio de Janeiro on Nov. 15-17 with some of the leading lights of worldwide narcotics trade and financing, to plot Dope, Inc.'s takeover of Brazil—a 20th-century replay of the Chinese Opium Wars of the 1840s. The gathering was concerned with:

- Consolidating the political, financial, and military infrastructure needed for the burgeoning Amazon cocaine trade route which has emerged over the last two years (see accompanying article);
- Starting a “Rio-dollar” market of unregulated financial flows, adequate to the task of laundering increasing volumes of dirty money; and
- Wielding the weapon of Brazil's \$64 billion foreign debt to pry loose from the protection of national sovereignty mineral wealth many times that amount.

The occasion was the biannual meeting of the International Councillors of Jesuit Georgetown University's Center for Strategic and International Studies of Washington, D.C. Kissinger is Chairman of the Councillors. The discreetly leaked “theoretical” presentations by CSIS staffers on the need to fight international communism served primarily as an ideological red herring to distract Brazil's military leaders from the real, backroom proceedings.

Rio's daily *Jornal do Commercio* was quick to realize that six of the 15 members of Kissinger's inner elite were members of the Trilateral Commission, the Euro-American-Japanese spinoff of the New York Council on Foreign Relations. Israel Klabin, president of Rio's state bank and visible head of Brazil's Zionist lobby, invited Kissinger's crowd to meet in Rio. Klabin boasted to a Nov. 10 press conference that he had been a habitué of Trilateral meetings and the sole Brazilian adviser of Kissinger's CSIS for a full five years.

Also present was Ernest Japhet, president of Bank Leumi El-Israel and heir of the Japhet family, one of Hong Kong's major opium and diamond banking houses since the Opium Wars. Two other mysterious

Hong Kong multimillionaire empresarios were also represented. Suliman Olayan, a Saudi Arabian associate of British-Hong Kong narcotics banks and Detroit's Max Fisher, canceled at the last minute, according to CSIS's Lea Rodgers.

The Dope, Inc. takeover of Brazil—the country with more than half of Latin America's population, industry, military force, and metal ore deposits—will not be as simple as Henry Kissinger would like.

Rio, a Brazilian Hong Kong

When Kissinger's host, Israel Klabin, served briefly as mayor of Rio de Janeiro during 1979, he campaigned for converting the historic center of Brazilian corruption into what he termed “a financial center like Hong Kong and Bahrein.” He also sought to reopen the gambling casinos which a military regime had closed down in 1954, precisely because the casinos laundered most of the dirty money generated by Rio's notorious rackets.

Klabin's program responded to the strategy of Dope, Inc., which was then beginning to turn the Brazilian Amazon into an important conduit for cocaine from Bolivia and Peru to the United States and Europe. This traffic—and plans to destroy the minds of Brazilian youth with drugs—are limited by the Brazilian government's strict regulation of monetary transfers which still stymies the huge flows of illegal currency required for the drug trade.

Klabin called in Citibank Treasurer Heinz Riehl and people from the International Monetary Fund to lobby for his “Rio-dollar” plan. Despite their efforts, the Brazilian authorities refused to dismantle exchange controls and hand their economy over to international hot-money operators.

Two days after Kissinger's conclave in Rio, however, Brazilian central bank president Gerardo Langoni suddenly announced, in the Persian Gulf sheikhdom of Bahrein, that he would lead the fight to make Rio into Latin America's biggest offshore money center.

Law of the Amazon jungle

A Brazilian scholar who had briefed a conference participant prior to the meeting exclaimed, “Why, they must be discussing the Amazon,” when *EIR* read him the full list of participants. The Amazon is one of mankind's most coveted reserves. Its gigantic tropical rain forest is the world's single most important source of oxygen and a crucial factor in determining the shape of the entire globe's weather system. Between river systems bearing electrical potentials of several hundred gigawatts lie unexplored mountain ranges with uncalculated mineral potentials. Carajás, one such range located just south of the river's mouth, was recently evaluated by Chase Manhattan's Brazilian subsidiary to hold \$333 billion worth of high-grade metal ores—enough to pay Brazil's mountainous foreign debts five

Who attended the meeting in Rio

Participants at closed door meeting in Rio de Janeiro, Nov. 15-17:

Henry Kissinger (U.S.), Chairman, Georgetown CSIS International Councilors; founder, Trilateral Commission; international adviser, Chase Manhattan Bank; ran Watergate against President Nixon from the inside.

Ernest I. Japhet (Israel), Chairman, Bank Leumi Le-Israel, which runs Hong Kong diamond trade aspect of Dope, Inc. Japhet family has financed world narcotics trade since Opium Wars. Ernest was director of BCI bank, which laundered funds for Permindex assassination bureau and thug Meyer Lansky.

C. Y. Tung (Hong Kong) Chairman, C. Y. Tung Group, runs one of world's largest shipping fleets and all sorts of unregulated "offshore" operations from Hong Kong, the world's narcotics capital and in Communist China (sent representatives).

Eric Hotung (Hong Kong), Hotung Group.

Israel Klabin (Brazil) President, Rio de Janeiro State Bank (Banerj); participant in Israel government's International Economic Advisory Conference; director, David Horowitz Foundation (Israel); operates paper pulp and other businesses; host of CSIS conference.

Suliman Olayan (Saudi Arabia), Chairman, Olayan Group; business partner of Dope, Inc.'s Max Fisher, Jardine Matheson (which still has an opium poppy for its symbol), and Barclays Bank; former U.S. Treasury Secretary William Simon helps run his expanding investments in the U.S. (last-minute cancellation).

Pavel Hirsch (U.S.), Chairman, South American Minerals Corporation (SaminCorp), which represents Hochschild European oligarchy minerals and metals interests (special guest).

Martha Muse (U.S.), Chairman, Tinker Foundation, which just funded \$2 million full-scope study of Amazon Basin (special guest).

David Abshire (U.S.), Chairman, CSIS.

Ralph Pfeiffer (U.S.), President, IBM World Trade Americas/Far East Corp., a modern empire.

Eiji Toyoda, President, Toyota Motor Company

Gustavo J. Vollmer (Venezuela), leading oligarch with interests in sugar plantations and speculations.

Agustin Legorreta (Mexico), President, Banco Nacional de Mexico (last-minute cancellation).

Ermelino Matarazzo (Brazil), Represents in Brazil Italian noble family involved in Italy's Freemasonic P-2 scandal and linked to terrorism.

times over. Geopoliticians such as Kissinger believe that the world's strategic balance during the next decades and century will be significantly shaped by whether these resources are controlled by the Brazilian nation or some foreign interest; the Brazilian government is in the midst of fighting out policy toward foreign interests in the Amazon.

Private control over this almost boundless piece of real estate has been coveted by feudal-thinking European oligarchs ever since the Jesuits set up a mission network there during the 17th century. Each of these schemes has sought to split the basin away from the Brazilian state.

The latest such plan revolves around the internationally notorious multi-millionaire Daniel K. Ludwig, who today owns property the size of Belgium in the Amazon. Ludwig, who has strong links with the Dope, Inc. crowd, has developed a formidable economic pole in his mammoth Jari wood pulp project on the lower Amazon. Unlike the quick-buck schemes which proliferate in the Amazon, Ludwig's was built to last for centuries, dominating the commerce and politics of the Amazon basin like a feudal castle on the river. The 84-year-old Ludwig appears to act as an entrepreneurial façade for old European fortunes represented in the obscure Zurich, Switzerland, cancer foundation which is heir to his multitudinous properties.

Ludwig gained authorization for his practically sovereign enclave on the Amazon in 1964 over the strident protests of military nationalists. His trump card was Roberto Campos, Brazil's present Ambassador to London, who was then running the country's finances. Campos relayed the pressure of the international banking oligarchy that Brazil would not be permitted to refinance its debt and enjoy the ensuing "Brazilian Miracle" if it did not "prove itself favorable to foreign capital" by giving the green light to Ludwig.

Ludwig got it, and he has invested \$900 million of his own and borrowed funds in his operation. In recent years, however, Brazilian nationalists his enclave as a genuine geopolitical threat. Brazil's National Security Council, and specifically President Figueiredo's former top adviser, General Golbery do Couto e Silva, have blocked Ludwig's expansion plans.

The millionaire's situation has improved a bit since Golbery's ouster in August. But younger nationalist military men are watching Mossad-trained General Octávio Medeiros, the head of Brazilian intelligence, to make sure the would-be dictator does not give away any more of Brazil to Ludwig and the Swiss family funds he represents. Medeiros is Kissinger's strongest ally inside the Brazilian military. Medeiros orchestrates psychological warfare pranks designed to undercut President João Figueiredo by embarrassing his efforts to restore democratic rule in Brazil. These operations, such as the Nov.

18 "student" riot against Kissinger in Brasília, have put Figueiredo under intense pressure from manipulated hard-line generals.

The Figueiredo brothers

The battle for Brazil is well under way. President Figueiredo persuaded the Army High Command to set up a new army in the Amazon. Furthermore, he raised eyebrows among Brazil analysts by appointing the member of the high command presumably most personally loyal to him, his brother General Euclides Figueiredo, to command the new army in what would appear to be a hardship post far from the center of power. Both moves suggest that Figueiredo regards the battle for the Amazon as the major strategic front in countering the intrigues of Kissinger's friends.

Figueiredo has also sought to unite the military against the Rio mob's attempt to restore legalized gambling dens. The fact that the central bank president Langoni, an ardent admirer of Milton Friedman and recent host to Paul Volcker, requires new studies to defeat military and civilian opposition to the Rio-dollar hustle shows the war is just beginning.

Figueiredo would do well to intensify vigilance against Kissinger's Brazilian associates. He could invite his brother to give him a full briefing on what went on at the dinner party Klabin threw at his Rio mansion for Kissinger's foreign clique and the most sordid characters in Brazil. Roberto Campos (professed Fabian socialist who advised Willy Brandt on how to set up his Brandt Commission), Augusto de Azevedo Antunes (front-man for Daniel Ludwig and other European oligarchic operations in Brazil), and Ermelino Matarazzo (son of an Italian oligarchical family), shared the creature comforts offered by Klabin with the president's notoriously spartan brother and a few equally incongruous guests from the anti-Kissingerian foreign ministry.

Kissinger and his Dope, Inc. pals face no threat from the next civilian governor of the state of Amazonas, Gilberto Mestrinho. Mestrinho was known as "Mr. Contraband" when he served as governor from 1958 to 1962. He represents the same Popular Party "opposition party" as Klabin and the Rio mafia.

'Kissinger go home!'

At every press encounter, suspicious reporters peppered Trilateral Commission Executive Director Kissinger with questions about their intentions toward Brazil. Each time, Kissinger would release a chuckle from his jowls and reply, "The Trilateral has next to no political influence. If I were on a speaker's platform in Texas, I would have to convince them that the Trilateral Commission is not a leftist conspiracy to undermine America's capitalist institutions."

Documentation

A biography of Daniel K. Ludwig

by Marilyn James

Daniel Keith Ludwig is considered the reigning "tanker king" and one of the world's richest men. Ludwig made Howard Hughes look like a blabbermouth; known as a very private man, he has cultivated few friends and conducts business within his inner circle when at all possible. He personally owns all his businesses, with the exception of the American-Hawaiian Steamship Company, of which he holds controlling interest; Ludwig shares the rewards and risks of his affairs with no one.

Born on June 24, 1897 in South Haven, Michigan, Ludwig rose from a blackstrap-molasses runner for A. I. Kaplan (a commodity used in the production of bootleg liquor during Canadian Prohibition). His career is studied with spectacular, eccentric, and questionable business deals.

Ludwig may have made contact with the Lansky-dominated branch of organized crime during his molasses-running days; certainly it would have been difficult to avoid contact with the criminal syndicates that laid the foundations for such "respectable" family empires as the Bronfmans and their disreputable counterparts in the Lansky-Luciano led "Eastern Syndicate."

Perhaps it's not so surprising, then, to see Ludwig in business with Lansky in the late 1950s and early 1960s, in an operation to create a free-enterprise zone in the British Caribbean, a "Hong Kong West" where hot money is easily laundered.

Ludwig in Paradise

On Aug. 3, 1955 the Hawkscreek Act that had been drafted by Sir Stafford Sands was signed into law. Sands, a member of the Bahamian colonial elite known as the "Bay Street Boys," in collaboration with convicted stock swindler, Wallace Groves, prepared the groundwork for the Lansky group's takeover of the Caribbean "entertainment" industry. Ludwig was an essential component of this operation which would eventually lead to the creation of Resorts International and Paradise Island. He provided the capital, the machines, and the labor to put the Hawkscreek Act into effect. The act provided for the creation of the Bahamas Port Authority, which was the key to the land on which the casinos and resort hotels were to be built. At a time