

EIR Document

Ibero-Americans demand war on narco-banks

by Silvia Palacios and Valerie Rush

The war on drugs in Ibero-America advanced during the week of April 21, when the financiers of Dope, Incorporated were put on notice that they were no longer considered "citizens above suspicion."

A special inter-American conference on drugs, sponsored by the Organization of American States (OAS), was held in Rio de Janeiro from April 22-26, at which the question of laundering of drug money was put at the top of the agenda. And on April 30, the second anniversary of the mafia assassination of the anti-drug Colombian Justice Minister Rodrigo Lara Bonilla, the five member nations of the Andean Pact met in Lima, Peru to sign a multilateral treaty, dedicated to his memory.

As he presided over the signing ceremony of the anti-drug treaty, Peruvian President Alan García described the Lara Bonilla Accord as "the beginning of the moral integration of the continent." The only problem, as many of the 31 national delegations to the OAS conference in Rio noted, is: "When is the United States going to join?"

U.S. opposition

The Colombian delegation, headed by Justice Minister Enrique Parejo González, came to the Rio meeting armed with a five-point proposal (see *Documentation*), which not only urged confiscation of drug traffickers' assets, but also the long-overdue reform of banking laws ("transparency") and, most importantly, the creation of a regional financing mechanism to fight drugs, based on mandatory contributions from all member nations, in amounts determined as a fixed percentage of assets seized in drug busts. Given the relative impoverishment of the majority of Ibero-American countries, the regional fund proposal—with U.S. participation, of course—was intended to serve as the linchpin for an effective anti-drug action program.

The Colombians motivated their proposal with powerful

arguments: "Legal means are needed to hit the business in its profits, because the profits are the backbone of the narcotics trade. It is necessary to take immediate steps to end banking secrecy, to thus be able to trace the big capital; that touches the most important nerve of narcotics traffic. . . . We have insisted time and again that any agency that is set up must start by confiscating those enormous profits."

The Colombian proposal was first presented to the private sessions of the OAS first commission, which was specifically responsible for formulating recommendations to the General Assembly. Venezuela's delegation commented: "An inter-American judicial mechanism must be created against the drug traffickers to investigate the dirty money laundering, because it is the large financiers who are involved in this trade." Peru's representative said, "The assets and profits of the drug traffickers must be confiscated, and the U.S. and Europe should collaborate in this, because the money is deposited in the U.S., in Switzerland, and in Canada."

With sentiment running high in favor of the Colombian proposal, delegates to the meeting were stunned when the U.S. representative, Deputy Attorney General Lowell Jensen, opposed the proposal, and succeeded in ramming through an agreement from the other countries *not* to raise the regional fund proposal on the floor of the Assembly. With Donald Regan running policy as chief of staff at the White House, and Ed Meese running the Justice Department, there is no way that the War on Drugs is going to get any help from Washington.

U.S. sabotage was backed by the Bahamas and Trinidad and Tobago, both countries which—as the Bolivian justice minister appropriately noted to *EIR* (see *Interview*, below)—depend upon the vast flows of dirty money to sustain their financial systems. Delegates could be heard in the halls of the conference whispering that it was the United States which made the largest financial and property hauls when busting

OAS action program for a war on drugs

The following are excerpts from the Inter-American Action Program Against the Consumption, Production and Illegal Traffic in Drugs, approved on April 24 at the Specialized Inter-American Conference on Drugs, sponsored by the Organization of American States in Rio de Janeiro, Brazil.

Principles and objectives

The principal goal of socio-economic development consists of improving living standards; the policies adopted regarding the reduction of demand, the prevention of drug abuse, and the fight against its illegal traffic should be directed equally toward this same principal objective.

The illegal traffic in drugs is a global phenomena which threatens the sovereignty of states and the integrity and identity of peoples. International cooperation, be it bilateral or multilateral, is increasingly important for the effective reduction of demand and prevention of drug abuse in the fight against illegal trafficking; it is in the common interest of all producer and consumer nations, and nations serving as transit points in the drug trade, that this cooperation evolve free of pressures of any kind. . . .

Chapter II

The conference also recommends to the member states of the OAS the following measures to combat the production and illegal supply of narcotics and psychotropic substances.

1) The development and broadening of mechanisms for interchange of information on the structures of the illegal trade and any other aspects of the illegal traffic in drugs among affected nations.

2) The study of legislative bills whose effect would be:

a) To strengthen the ability of appropriate institutions to investigate the illegal drug trade and to try those responsible, including their ability to detect the origin of resources deposited in financial institutions or other commercial institutions and transfers made among these by the drug traffickers.

b) To confiscate the goods stemming from the illegal trade are explicit in drugs or used for same, independent of where said trafficking took place.

c) To define as a crime the purchase, possession, use, or so-called laundering of goods that are known to be directly or indirectly products of the drug trade,

drug rings, and therefore had the most to lose from the regional fund idea. Unspoken, but also on everyone's mind, was that such a fund would prevent Washington from practicing political blackmail by withholding the meager amounts of anti-drug aid to affected nations.

What surprised many at the conference was the fact that Mexico, which has taken a number of major steps forward in the fight against drugs recently—including the nomination of some notoriously tough anti-drug figures as candidates for governor of several states—allied itself with the United States for the first time in decades, against the majority of the Latin American countries. At least one observer noted that Mexico's position was possibly related to the fact that the Mexican House of Representatives had just approved the opening of dollar accounts in Mexican banks, in effect opening up another window for money laundering.

Drugs and the IMF

Don Regan's cronies on Wall Street, in London and Switzerland, together with the International Monetary Fund, have taken advantage of the severe economic crisis wracking Central and South America to push those countries into quiescing to the "narco-dollarization" of their economies. Those bankers, most of whom are up to their necks in dirty-money laundering, were denounced as "narcofinanciers" by Venezuelan Justice Minister Manzo González, who headed his country's delegation to the conference.

In fact, the Venezuelans presented a study to the conference participants which demonstrated the links between the foreign debt and the drug trade. Drug traffickers buy social and political popularity by funding welfare programs and public works that legitimate governments can no longer afford, noted the study. "Thus arises a parallel state taking up social burdens and illegally legitimizing itself."

Pope John Paul II, who will be traveling to Ibero-America this summer, backed the effort to take effective action against the drug trade. In a personal message delivered to the conference by a Vatican delegation with observer status, the Pope urged the participants to take concrete actions: "The illegal trade in mind-altering substances is one of the most criminal expressions of our times. . . . The entire human community would have to be mobilized in order for a solution to be found to this problem, as one must be. This global solution must involve all components of society."

In the final resolution to the OAS special conference on drugs, several of the five points of the Colombian proposal appear in diluted form. Confiscation of drug traffickers' assets and tracing of drug-money flows through financial institutions

of the critical regional fund proposal. As Colombian Justice Minister Parejo González noted, "To prosecute this war, it is imperative that total solidarity exist among the peoples of America, and that the most powerful help the weak. Otherwise, we will all perish."