

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."

Documentation

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 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,

said trafficking took place, and to make possible the confiscation of said goods.

3) The establishment of rigorous controls on production, import, export, transport, and trade of solvents, and other chemical products essential for the production of narcotics and psychotropic substances.

4) The establishment of mechanisms of cooperation at the judicial, police, and customs levels among member states, with the purpose of making measures taken in this area more effective.

6) The use of biologically and ecologically advisable methods—as defined by each State—to eradicate illegal cultivation of plants from which narcotics or psychotropic substances can be extracted.

7) The conducting of research for the purpose of developing biological methods of eradicating illegal cultivation. . . .

Chapter III

1) Recommendation to the OAS General Assembly: The creation of an Inter-American Commission for the Control of Drugs, made up of representatives of member states, with powers to develop, coordinate, evaluate, and add to the prescribed measures in this action program, and to present proposals for increasing the efficiency of efforts to prevent drug abuse and fight against the illegal drug trade.

2) Recommendation to the Inter-American Juridical Committee: To adopt specific bilateral or multilateral instruments regarding determined aspects of drug abuse and the illegal drug trade, including mechanisms of extradition and cooperation among judicial, police and customs authorities of member states, such that more efficient action against all drug traffickers be made possible.

Other Conference Documents

The following is an excerpt from a Feb. 12, 1986 study prepared by the staff of the Organization of American States for discussion at the Specialized Inter-American Conference on Drugs.

One of the important new dimensions of the drug business is the legitimization of ill-gotten gains. . . . It is not clear where the drug traffickers invest their profits, but it is believed that the major portion of the legitimized money is invested in stocks and bonds, in real estate, and in other assets of the most developed nations. The systematic tracing of these funds is only in its incipient phase, but it is one of the most important points for international cooperation in the control of the

drug trade: to strip the drug traffickers of their profits. While the profits remain uncontrolled and demand is not reduced, it is highly doubtful that effective action can be undertaken to reduce production and encourage other economic activities to substitute for the cultivation of coca, given that on the one hand cash is freely available and on the other hand, the incentives are too attractive.

The use of vast resources to dampen government anti-drug campaigns was evident in the assassination of Colombian Justice Minister Rodrigo Lara Bonilla, in the devastating assault carried out against the coca substitution project in Peru, in the abduction and assassination of the DEA agents in Mexico. The traffickers generally have the means to influence public opinion, and are often smart enough to enlist public support.

The magnitude of the drug market throughout the world is overwhelming. In the U.S., the House of Representatives' Select Committee on Narcotics Abuse estimated that the illegal traffic in drugs was in the range of \$10 billion during 1984, which suggests that during this decade it experienced an annual growth rate of 10 percent. . . .

The drug trade also distorts the domestic economies of the producer nations. The production of coca uses land and resources that could be allocated to the production of food. Further, since the police and military spend their limited resources battling the apparently unlimited resources of the traffickers, the national budget suffers additional pressures. . . . The tremendous profits made by the drug traffickers have been utilized to destabilize the political and economic systems of various countries. They have been used to buy newspapers, influence political parties, and corrupt local and national officials.

The following is the original five-point proposal submitted by the Colombian delegation to the first commission of the OAS conference:

1) Adopt legal norms that would allow for the seizure of goods and profits stemming from the illegal traffic in drugs;

2) Adopt norms of Inter-American cooperation for the identification, control and application of legal sanctions leading to the confiscation of all money and profits taken by drug traffickers in their illegal business;

3) In the case of the creation of a regional fund to fight this phenomena, it be established that a percentage of the seizures carried out by member states be given over to said fund;

4) In the spirit of harmonizing current legal norms, it is suggested that the Inter-American Juridical Committee cooperate to recommend reforms to banking laws and any others deemed appropriate;

5) Coordinate these efforts with those carried out by the United Nations Organization in this regard.

Conference Speeches

Drug trade: a crime against the state

The following is an excerpt from the speech by Venezuelan Justice Minister José Manzo González, delivered on April 22 to the OAS conference:

We have initiated an action of clear international focus, in which the fight against the traffic and consumption of drugs must take place within the sphere of international solidarity and cooperation to fight transnational and multinational organized crime. We must go beyond the notion of crime against health, to understand it as a multiple-offense crime against . . . the State. . . . This merchandise of organized crime serves, for example, 1) as a factor of dependency and corruption, 2) to weaken the State's combat capability, 3) as a

The behavior of the drug traffickers is similar to the vampire, which puts its victim to sleep while continuing to suck its blood

weapon of war or means of subversion of whatever form, 4) as a problem of public health, 5) against Latin American integration in economic and security terms.

The following are excerpts from a speech given by Colombian Justice Minister Enrique Parejo González on April 23 to the OAS conference:

It is not necessary to repeat here today the serious effects of the criminal action of those organized groups which control the most profitable business that any human being has ever managed, a macabre business that creates gigantic fortunes at the cost of the physical, economic, and moral impoverishment of entire populations.

The behavior of the drug traffickers is similar to the vampire, which puts its victim to sleep while continuing to suck its blood until it kills him.

The drug trade is conducted by the transnational organizations of crime, and requires similarly international mechanisms if its deadly effects are to be effectively contained. For Latin America, the fight against the drug trade is a fight for liberation.

The fight that must be undertaken demands resources, and perhaps substantial resources. The member states of the OAS may prove reticent to take on the new international commitments that such a battle demands. Faced with the risk that the institutions will be weakened and democracy will perish, any effort is worth undertaking. In case of an unjust aggression that threatens its supremacy, all nations have the right to defend themselves, to stand up, even at the cost of sacrificing all of their material goods.

This is the most serious and most just war that humanity has ever fought. But to prosecute this war, it is imperative that total solidarity exist among the peoples of America, and that the most powerful help the weak, or we will all perish. This is the only truth.

To create a fund is an absolute necessity. With all due respect, it doesn't seem to us that it should be based on voluntary contributions, because this emergency does not allow for this kind of solution. What is required is a continuous, uninterrupted, intense action that can only be carried out with a defined and certain budget."

Interview: Paolo Brossart

Brazil confronts the dirty-money problem

The following interview with Paolo Brossart, the justice minister of Brazil and judicial adviser to Brazilian President José Sarney, was conducted by EIR during the OAS conference in Rio de Janeiro.

Since the narco-terrorist groups M-19 (Colombia) and Shining Path (Sendero Luminoso—Peru) have joined forces, the Brazilian Amazon has served as a refuge from law-enforcement persecution from their respective countries. Despite this, the Brazilian government, headed in this matter by the foreign relations ministry, has turned a blind eye. It is also known that the M-19 and Shining Path groups receive training and arms from the terrorist regime of Libya's Muammar Qaddafi. Brazil is one of the principal suppliers of weapons to Libya.

EIR: In the prepared documents of the OAS meeting, the problem of laundering of dirty money is addressed. What specific measures are contemplated for dealing with this problem?

Brossart: As is known, the strength of the drug problem lies in the fantastic profits it produces, and which allows the drug traffickers, the merchants of contraband, use of a first-rate material and technical organization which significantly surpasses the available resources, and the reserves, of the State. And one of the real concerns of such an organization is

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The global war on narco-terrorism: where it stands

Americans, and others, are increasingly fearful of international terrorism. Few, unfortunately, understand that terrorism is so tightly integrated with the international drug traffic that the two cannot be separated from one another. If we destroyed the narcotics traffic, terrorism's essential logistical base is destroyed. However, destroying the crops and shooting down the planes carrying the drugs is not enough. Unless the hundreds of billions of dollars of the drug-traffickers are confiscated, and the guilty bankers and financial brokers are sent to prison, the United States and Western Europe are helpless against terrorism. The map indicates highlights of the global battle against the narco-terrorists, since late March:

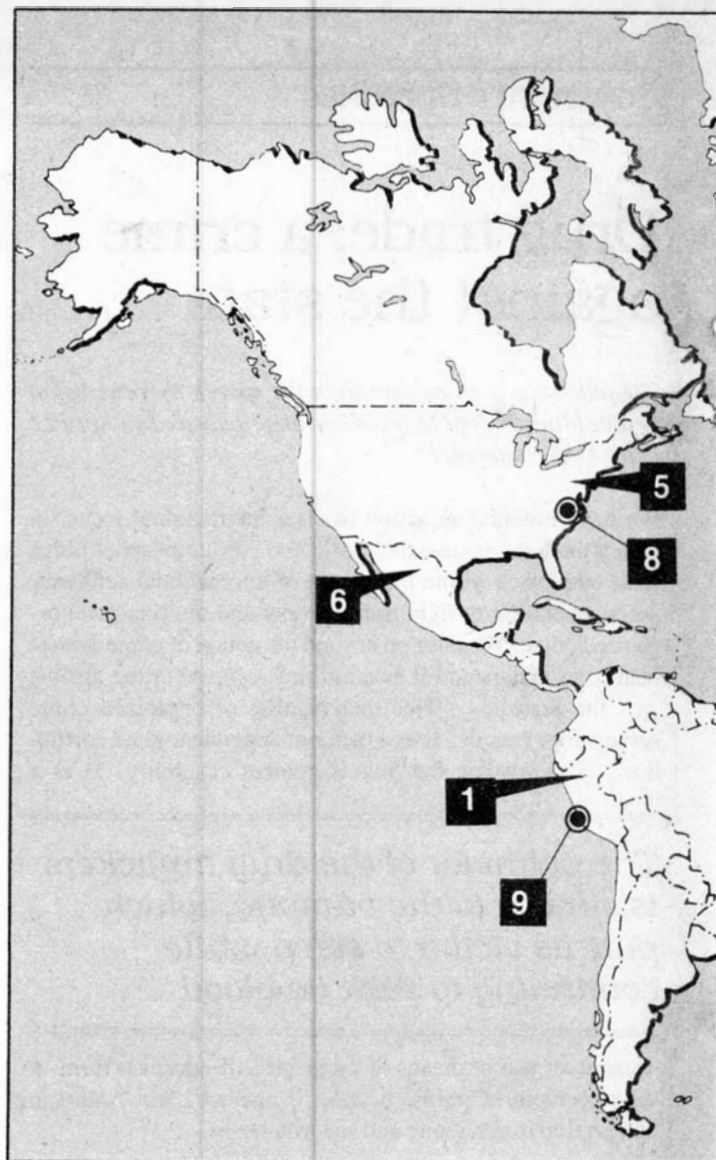
1. Upper Huallaga, Peru: The largest cocaine raid in world history takes place during a March 24-30 lightning war by Peruvian police, who seize 8.8 metric tons of pure cocaine crystals with an estimated street value of \$880 million in the United States (page 40).

2. Libya: American bombers strike military and terrorist training targets in Tripoli and Benghazi, on April 14, to hit at logistical support of massive Soviet-directed terror campaign in Europe and elsewhere.

3. Italy: Mafia trial in Palermo hears testimony in April by the state's witness Tommaso Buscetta, who documents the process by which the Mafia entered dope trafficking in a major way and became interfaced with Soviet-backed terrorism.

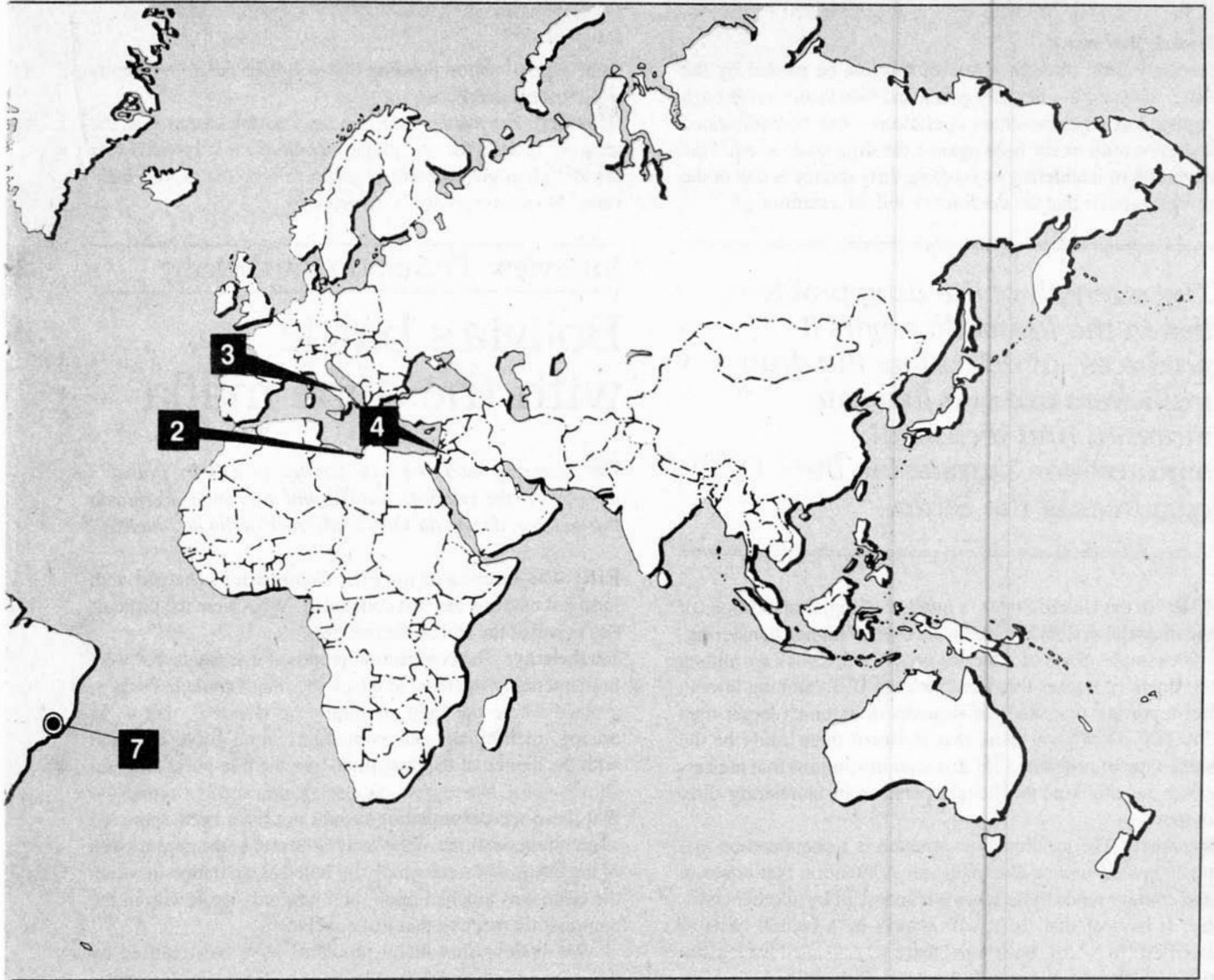
4. Israel: On April 20, a Commission of Inquiry under Supreme Court Justice Moshe Bejski releases a report indicting the heads of all the major Israeli banks for having acted to undermine the Israeli economy, and calls for their resignation by late May (*EIR*, May 2, 1986, page 4). The banks, including Bank Leumi, Union Bank, Bank Hapoalim, and United Mizrahi Bank, were named in the book *Dope, Inc.* for their key role in the diamonds-for-dope trade.

5. New York: On April 22, U.S. law-enforcement officials indict 17 suspects from six nations, striking a major blow at an Israeli Mossad-directed arms smuggling ring which has been funneling billions of dollars' worth of arms and military supplies to Khomeini's Iran (page 24).



6. Mexico: Nominations for state governorships in Veracruz, Sinaloa, Durango, and Oaxaca, key heroin- and marijuana-producing states, are announced in April, which promise to install nationalist, anti-drug leaders in those states. Operation Mangosta 86, launched in early April, will deploy 50,000 troops to block the harvest of marijuana and opium poppies. But the April 24 passage of a bill legalizing dollar accounts in border-state banks marks a grave setback to the anti-drug forces; the dollar accounts are notoriously used for "laundering" dirty money (page 9).

7. Rio de Janeiro: The Organization of American States concludes its conference on the narcotics trade on April 27, issuing a program of action which calls for "classifying as a crime the acquisition, possession, use or so-called laundering of the direct and indirect products of the drug traffic." A demand for creation of an Inter-American Fund to



finance the war on drugs from a percentage of the proceeds confiscated from narcotics traffickers, is sabotaged by the U.S. Justice Department's representative (page 32).

8. Washington: On April 30, *Dope, Inc.*, a book by a team of *EIR* investigators, is released in its second edition. The first (1978) edition pulled together four of the major features of the international drug-traffic: 1) the creation of the modern international drug-traffic, by the British government; 2) the evidence collected by the former U.S. Federal Bureau of Narcotics and Central Intelligence Agency on the international drug-traffic; 3) the role of the special operation, code-named "MK-Ultra," in unleashing a massive drug market inside the United States; and 4) the crucial role of the British Commonwealth-based "offshore" financial institutions, such as the HongShang Bank, in laundering what was, during 1978, a \$200-billion annual revenue from the drug

traffic. The new edition brings the picture up to date, emphasizing the dominant role of the Soviet KGB in taking over the traffic from the British, and in securing a dominant role in the international drug-trafficking and narco-terrorist operations of the late 1970s and 1980s.

9. Lima: Peruvian President Alan García presides over the signing of the "Rodrigo Lara Bonilla Agreement" against drugs on May 3, by the five nations of the Andean Pact: Peru, Ecuador, Colombia, Venezuela, and Bolivia. Peru's justice minister says the treaty hopes to bring about "interchange of extradition, a regionally maintained register of all sentences handed down to drug criminals," and an exchange of information which "will allow us to deal with a multinational of crime which sells on the U.S. market between 200 and 500 billion dollars worth of drugs a year, and has a captive population of 24 million consumers."

Continued from page 35

precisely that, through a law or laws to be passed by the State, this wealth—illegally gotten and then laundered through regular and legal merchant operations—can be confiscated and even used in the fight against the drug trade itself. This operation of laundering or washing dirty money is one of the several aspects that the conference will be examining.

The strength of the drug problem lies in the fantastic profits it produces, which allow the drug traffickers use of a first-rate material and technical organization surpassing the resources of the State.

EIR: In the United States, a number of major institutions of the financial system have been accused of money laundering. For example, Bank of America and Merrill Lynch are among the financial houses that have violated U.S. banking laws in not reporting thousands of deposits in amounts larger than \$10,000. Don't you think that in Brazil there could be the same type of problem with financial institutions that are carrying out this kind of illegal operation of laundering dirty money?

Brossart: The juridical phenomenon is a phenomenon that tends toward universal expansion. A situation that arises in one country tends to be taken advantage of by another country. It is clear that there will always be a factual basis to justify it. In Brazil, until now, there was no need for legislative measures of this sort. But what we are seeing is that this phenomena is growing, it is becoming huge. In the last few years, it has enormously advanced, such that this situation in the United States, can be taken advantage of. I believe that it should inspire Brazilian legislation also.

EIR: The terrorist groups like the Colombian M-19 and Peruvian Shining Path are the armed groups of the drug trade, as has been clearly demonstrated by the respective governments. Mr. Minister, is some action pending, from the Brazilian point of view, to help in the fight against narco-terrorism?

Brossart: No, no, no. I would say the following: In Brazil, the problem does not present itself in this form. It is possible that in other countries it has this connotation. . . . In Brazil, at least for now, it does not appear as such.

EIR: In the case of the M-19 and Shining Path, which according to various newspaper reports have been violating the Brazilian border and using the Amazon as a passageway, is

some type of action pending that will help the governments of Colombia and Peru?

Brossart: No matter who they are, to the extent that the territory is used for any illegal operation, it is obvious that the Brazilian government is going to take the proper measures. No matter what it's in regard to.

Interview: Fernando Barthelemy

Bolivia's battle with the dope mafia

The following interview was granted to EIR by Bolivia's minister of the interior, justice, and migration, Fernando Barthelemy, during the OAS conference in Rio de Janeiro:

EIR: The meeting of the First Commission, charged with juridical matters, has just concluded. What were the difficulties raised at the end of the meeting?

Barthelemy: The commission proposed five points that were fundamentally intended to attack the illegal trade in drugs at a place where the fight can really be effective, that is, in tracing, identifying, and even confiscating goods acquired with the money of the drug trade [see the five-point program above—ed.]. We regret—as a delegation and as a country—that these recommendations could not have been approved as recommendations to the secretariat and to the commission of the OAS, and were simply the issue was touched upon, and was only dealt with in the commission meeting that just concluded.

We believe that many problems have been caused by those countries which receive money from the drug trade through their financial system, and have put so many obstacles in the way of approving this resolution. The mere act of raising a recommendation means that the OAS institutions can accept it or reject it, but now not even that possibility exists, because it has not been approved as a recommendation.

We believe that if there is not truly good faith, good will from all the countries involved in the problem, it is going to be very difficult to fight the drug trade. We cannot leave the burden of the fight exclusively to the weakest countries, to those which have enormous economic and financial difficulties, so that they have to shoulder the worst part, knowing all along that despite doing everything they can, it is impossible to diminish by these methods, by these means, the influence of the huge transnationals of the drug trade. We believe that the only way is to attack the economic power, destroy the economic power, and then we will see that the fight is effective and fruitful.

EIR: Why do you think that some countries [United States, Mexico, Bahamas, Trinidad and Tobago] opposed the five points proposed by the Colombian delegation as a recommendation?

Barthelemy: They are the countries which evidently are receiving, through their financial system, the flow of resources in the form of bank deposits and financial investments. Evidently these countries argue that they will have internal legal and even constitutional problems in accepting such a proposal as a recommendation, [especially since] it might then be possible that the OAS General Assembly would propose such a recommendation as a decision or a resolution that would be binding upon all the countries. These countries, the ones which fundamentally oppose it, are the countries which would be forced to give a contribution through this control mechanism. . . .

EIR: Don't you think that such a restriction on attacking—as you said—the backbone of the drug trade, limits the recommendations of the OAS, leaving them as mere declarations which will go nowhere?

Barthelemy: The key thing is to address this issue and raise it as a recommendation before the General Assembly. We had the hope that that document would have been approved today at the level of the commission, to then carry to the plenary. This clearly has not happened, and I believe that this is a limitation on the positive results that this Specialized Inter-American Conference on Drugs might have had.

EIR: Given the open opposition of the United States delegation, as manifested in the commission meeting, against the creation of an Inter-American fund in the fight against drugs, do you think it is hypocritical for the United States to talk about its war on drugs? They tell the media of their commitment to fight this plague, and yet they limit effective action against the profits of the drug trade.

Barthelemy: I don't want to issue an opinion on this matter. But what I do want to say is that in the Bolivian case, where our people have been assaulted by the international drug trade, which takes advantage of the very special conditions of underdevelopment in my country, Bolivia is not benefited in any way by the inflow of resources . . . from the drug trade. There exists a strange belief that Bolivia obtains tremendous income from the production and export of cocaine. What is clear is that there is income in the first step of acquiring the drug, and also from acquiring the agricultural product, the coca leaf, but this income is extracted from the country and deposited in bank accounts or financial investments abroad. And whatever doesn't leave by this route, leaves by another, which is by importing luxury manufactured goods which are deforming the patterns of consumption that our country has traditionally had due to its low living standards, its low per capita income. This money does not benefit the

Bolivian economy. All that money leaves the country in one way or another. . . .

EIR: Recently U.S. Democratic politician Lyndon H. LaRouche denounced the big banks, like Bank of Boston and Bank of America, and more recently Donald Regan, the chief of staff of the White House, for their role in laundering dirty money. What can you tell us of these charges?

Bolivia has an interest in fighting the drug trade, and is doing that to the best of its ability, because we understand that this is not a problem merely of other countries, but also our own—a problem in which our society is on the one hand being poisoned, and on the other hand, suffering from distortion of its moral values.

Barthelemy: I don't know the sources of this U.S. politician, but I suppose that if he dares to make such a public accusation, it is because his sources are good. Unfortunately, due to our difficulty in obtaining information, we don't know, the way a U.S. candidate might, all the ins and outs of the financial management of drug money.

EIR: Do you have anything to add, or some message for our readers in the United States?

Barthelemy: Not only to the United States, but to the entire world. Bolivia has an interest in fighting the drug trade, and is doing that to the best of its ability, because we understand that this is not a problem merely of other countries, but also our own—a problem in which our society is on the one hand being poisoned, and on the other hand, suffering from distortion of its moral values.

What we would truly like is for all the large and industrialized countries, all the populations of those countries, to understand the reality that the underdeveloped nations are facing from the pressure of the international mafia, with the problem of production and export of drugs. If the international mafia had never entered our country on such a vast scale, with such enormous power and resources, our country would not only not be viewed internationally as a country to blame, but also would not be suffering the level of addiction that a certain percentage of our population is suffering. Not to mention, of course, the distortion of moral values.