

John Holdson, senior official for Latin America in the World Bank's International Trade and Monetary Flows department told investigators in 1978.

A Colombian specialist at the IMF likewise argued: "From an economic viewpoint, marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants. . . . Legality is a relative concept. In a few years, marijuana may become legal anyway."

The handing over of Jamaica to the drug trade, was duly recorded by Anglo-American financial journals as it occurred. The London *Observer* wrote in 1980, "the IMF is now helping . . . those who want to legalize pot."

On Nov. 3, 1983, the Swiss bankers' newspaper, *Neue Zürcher Zeitung* warned that anti-drug efforts had better not threaten the flows of profits from what they chose to call "uncontrolled exports": "Colombian products are of limited interest for the industrialized countries. . . . In the past decade, Colombia could annually depend upon \$2 to \$3 billion from uncontrolled exports, which were available to the country. Were the moralizing campaign of the government to reduce this source of funds, Colombia would find itself no longer in a position to earn the foreign exchange necessary for its economy."

Aspen Institute's Inter-American Dialogue was even more blunt about bankers' fears that anti-drug efforts might curtail drug revenues now feeding debt payments, in their 1986 Report, *Agenda for the Americas*. "Waging war on drugs costs money. More important, it will inevitably result in the loss of . . . foreign exchange that the drug trade provides

. . . [which] amounts are substantial for strapped economies carrying large burdens of external debt." states *Agenda*.

In 1988, the U.S. State Department joined the ranks of those publicly extolling the "benefits" of narcotics revenues. The section on money-laundering in the Department's March 1988 *International Narcotics Control Strategy Report*, acknowledges that "negative perceptions of the effects of narcotics money laundering" exist, such as the fact that "proceeds from drug-trafficking are used to finance other criminal activities." But it adds:

"Despite these serious problems, laundering criminally derived money can provide benefits to some otherwise economically unattractive countries. Such monies create an influx of capital which can lead to a stimulation of the country's economy. The increase in capital created by the criminally derived money increases money reserves, lowers interest rates, creates new jobs and, in general, encourages economic activity. Some officials are, therefore, reluctant to take action or provide information on money laundering activities."

The *Report* names the bank lobby as the agency which has ordered governments throughout the Americas to leave their drug profits intact. On page 51, we are told:

"Many governments face objections from strong bank lobbies, whose constituents stand to lose substantial deposits, commissions, and fees if their governments outlaw trafficking in drug proceeds."

Indeed, until the United States has a government which is willing to face its "bank lobby," narcotics will continue to destroy its citizens.

The first Opium Wars

In 1715, the British East India Company opened its first Far Eastern office in the port city of Canton, and began trading in opium. From then until 1840, when the First Opium War against China broke out, Great Britain did not take over the opium trade; the opium trade took over Britain. The means by which this occurred was the quasi-coup d'état headed by Lord Shelburne, who in 1783 brought to power in London the political and financial faction which had run the Asian opium trafficking.

When, in 1840, the Chinese emperor, confronted by a galloping addiction crisis which was destroying both the mandarins and the nation, tried to crack down on the British trading companies and their dope smugglers, Great Britain went to war.

In 1839, the emperor had named Lin Tse-hsu Commissioner of Canton to lead a campaign against opium. Lin launched a serious crackdown on the British-sponsored Chinese drug gangs. When he moved to arrest a

British national employed by the drug-trafficking houses, Crown Commissioner Capt. Charles Elliot intervened to protect the drug smugglers with Her Majesty's fleet.

The British Crown had its *casus belli*. The Chinese forces, decimated by 10 years of rampant opium addiction in the Imperial Army, proved no match for the British. When the British laid siege to Canton in 1840, painfully aware of the fact that prolonging the struggle would strengthen the British negotiating position, the Chinese emperor petitioned for a treaty in order to end the war.

The First Opium War defined the proliferation of and profiteering from mind-destroying drugs as the cornerstone of British imperial policy. But not a dozen years had passed when the British Crown precipitated the second war, again with disastrous consequences for the Chinese, and again with monumental profits for the London narcotics pushers. Out of the Second Opium War (1858-60), the British merchant banks and trading houses founded the Hongkong and Shanghai Banking Corporation, which still today functions as the central clearinghouse for all Far Eastern financial transactions relating to the black market in opium and its heroin derivative.