

leading newspapers. In addition to giving various details on the Cisneros group's disloyalty to its old partners, and on their "daring and dishonest" management of bank loans, Febres Cordero personally challenged Cisneros's duplicity: "It does not escape the attention of the most ignorant television viewer [that] your intense efforts to confuse the opinion of Banco Latino's depositors [are designed] to save your companies from probable collapse, in light of their difficulty in paying the debts contracted with the bank."

The attacks against the Cisneros clan have appeared not only inside Venezuela. The clan has been forced to denounce articles published by noted economic journalist Carlos Ball in the *Wall Street Journal* and numerous other dailies in other countries, which explain in detail how the Cisneros group expanded in the shadow of political power, and their responsibility for the sinking of Banco Latino.

Ball states that, following the military coup attempt against Pérez (when he was forced to take refuge in a Cisneros bunker at Venevisión!), the Cisneros group began to reduce its activity in Venezuela. In fact, in the past two years, the Cisneros group has associated with Televisa of Mexico, has purchased part of the Univision television chain in the United States, and has withdrawn funds from the CADA and Maxys supermarket chains in Venezuela to invest in the Pueblo supermarkets of Puerto Rico and in the Xtra chain in Florida and the Virgin Islands. The Cisneroses now own Spalding and Evenflo in the United States, have purchased the television station of the Catholic University of Santiago, Chile, and are negotiating the purchase of RTI television in Colombia. They have also just sold Helados Tío Rico in Venezuela to the multinational Unilever, and the Venezuelan food company Yukery to Heinz.

As a result of his exposés of the Cisneroses, Carlos Ball has had to request the FBI's protection in Florida, after he and his family were subjected to a campaign of threats and intimidation. This is not the first such instance of a Cisneros display of thuggery. In late 1992, media owned by the rival Phelps Group implicated the Cisneroses in an assault against Mrs. Hopy Phelps, one of the main stockholders of the group, which left her severely brain-damaged. They stand similarly implicated in a machine-gun attack in July 1993 on the house of Marcel Granier, director of *El Diario de Caracas*, which only days earlier had published the PLV's pamphlet against Pérez and his "apostles" as a Sunday supplement.

It is now up to the judicial authorities and to the Caldera government to judge the responsibility of the Cisneroses in the gigantic swindle of the Banco Latino, and to order the appropriate penalties. There is no question that the case represents a serious "test of fire" for any Venezuelan government, but at least the "reverential fear" against which Peña warned appears to be disappearing. At last word, angry Banco Latino depositors have begun to occupy—for the moment, peacefully—the supermarkets owned by the Cisneroses, demanding the return of their savings.

## The decade-long the Cisneros clan

To the common Venezuelan, the battle now being waged over what course their nation must take if it is to survive its grave economic crisis, appears almost personalized as a battle between the once seemingly all-powerful multi-billionaire Goliath, Gustavo Cisneros, and the secretary general of the small Venezuelan Labor Party (PLV), Lyndon LaRouche's friend Alejandro Peña.

Over the past month, Peña has appeared almost daily in the media, reminding Venezuelans that he and his friend LaRouche had warned them that behind the now-exposed corruption of the Cisneros family, stood a *policy* of looting Venezuela and turning it into a drug economy, a policy dictated by the international financial interests which sponsored the nouveau riche Cisneros family, the Rockefeller-Kissinger group in particular. Their chief local political figurehead for years was Carlos Andrés Pérez, deposed last year as President of Venezuela on charges of corruption.

Peña's credibility is based on a near decade-long track record of battle against the Cisneros. As we document below, this is the third time since 1985 that the battle between LaRouche and his friends on the one side, and the Rockefeller-Cisneros interests on the other, has dominated the Venezuelan political scene and news media for weeks at a time.

Like their international sponsors, the Cisneros interests have sought to suppress the real battle over the *policies* at stake, instead employing wild slander campaigns, political arm-twisting and threats, and physical thuggery in their desperate efforts to discredit LaRouche and silence LaRouche's friends in Venezuela. Ever since 1985, every major attack inside Venezuela directed against LaRouche and his friends has originated with the Cisneros interests. In each case, the slanders circulated by Cisneros were but homegrown versions of slanders put out by the anti-LaRouche propaganda mills of NBC News, the *Washington Post*, and the Anti-Defamation League of the freemasonic lodge B'nai Brith in the United States.

In the midst of the battle in 1985, *EIR* forecast the coming demise of the Cisneros and their international sponsors. In a statement issued on Feb. 13, 1985, *EIR* wrote: "No amount of hysterical slanders in the Cisneros' and allied media can disprove the facts contained in *Narcotráfico S.A.*, nor stop

# battle between and LaRouche

the coming financial collapse of the world monetary system. At that point, honest Venezuelans will recall our information and our warnings, and perhaps even heed our policy advice.”

## ‘Narcotráfico S.A.’ triggers a fight

The Cisneros group began its anti-LaRouche campaign in 1985, after *EIR* released a revised, Spanish-language edition of its 1978 best-selling exposé of the international dope trade, *Dope, Inc.*, on Jan. 23, 1985. The book contained several new chapters, including one entitled “The Cisneros Family: The Bronfmans of Venezuela,” which detailed the family’s myriad ties to international circles involved in drug money laundering. Within one week of the first books arriving in Venezuela, the Cisneroses mobilized a barrage against LaRouche involving the police, the judiciary, and the media.

**Feb. 5, 1985:** Units of the Venezuelan DISIP (political police) raided the apartment of *EIR*’s correspondents in Caracas, *EIR*’s offices, and the office of the Venezuelan Labor Party, founded by friends of LaRouche. Every copy of *Narcotráfico S.A.*—a mere 2 boxes—was seized, and *EIR*’s correspondents were arrested, interrogated about the new chapter, and deported. DISIP agents told the correspondents that the Cisneros family “will not permit one single copy of the book to circulate.” The judge who ordered the raids, Ana Luisa Gandica, had previously served as legal counsel to Pepsi-Cola of Venezuela, owned by the Cisneros family, and was a close personal friend of Banco Latino’s security chief, Lázaro Rogelio Ugarte Bresselau.

**Feb. 6, 1985:** Venevisión, the television channel owned by Cisneros, announced that Venezuelan President Jaime Lusinchi had signed an order expelling *EIR*’s journalists because they were allegedly involved in “denigrating and blackmailing . . . the best of our society.” For the next week, Venevisión saturated its news programs with wild attacks on LaRouche, citing NBC News and the *Washington Post* as sources for many of its slanders. These included:

- that LaRouche practiced “the politics of hate” to ruin “respectable” political figures and institutions;
- that *EIR* was an “espionage” outfit, linked to the Soviet KGB and Cuban DGI, which sought to undermine the institutional basis of the republic, in accordance with the designs

of “Soviet-Castro expansionism;”

- that *Narcotráfico S.A.* sought to “sabotage the process of negotiating the public debt,” because it “contains attacks on the principal world banks which are the creditors of the Venezuelan Republic;” and

- that the book began an “international destabilization campaign” against Venezuela.

**Feb. 7, 1985:** Venevisión circulated to all the press a packet of slanders against LaRouche entitled “Another Fanatic Cult Threatens Venezuela.” The packet labeled LaRouche and *EIR* “mercenaries of disinformation,” and screamed that LaRouche runs a “transnational cult of totalitarian characteristics.” Translations of the anti-LaRouche series written by John Mintz, which the *Washington Post* had published in January 1985, were included.

**Feb. 8, 1985:** Lawyers for Gustavo Cisneros and José Rafael Revenga, vice president of Venevisión and executive vice president of the family’s primary business holding, Organización Diego Cisneros, filed a brief before the First Circuit Court for Civil Matters in Caracas, requesting an injunction against the circulation of *Narcotráfico S.A.* in Venezuela. The brief charged that the book contains “accusations damaging to the honor of the Cisneros family . . . and other personalities of the business, financial and social world of Venezuela. . . . Our clients are businessmen of economic and moral solvency; they are personages who have excelled in the world of business, finance, education, culture.”

**Feb. 8, 1985:** A week-long media witchhunt began against LaRouche. On Feb. 8, 11, and 12, *El Universal* of Venezuela ran full-page slanders. On Feb. 12, Caracas scandal sheet *2001* ran another version of the story under the headline “Disciples of Lyndon LaRouche, Foreign Spies Were Preparing to Sabotage the Refinancing of the Foreign Debt.” On Feb. 13, the same paper charged: “The LaRouche cult intended to assassinate political and business leaders. . . . Some would be physically eliminated, and others would be discredited, accused of being drug-traffickers.” *2001* claimed that the DISIP, which had “opened the investigation [of *EIR*] on the initiative of a powerful business group in Venezuela,” had found “a list of Venezuelan personalities tied to politics and economics [which] would appear to be the eventual victims of the LaRouche cult.”

**Feb. 15, 1985:** Judge Alirio Abreu Burelli issued an injunction against the circulation of *Narcotráfico S.A.* in Venezuela, ordering “the seizure of said publication so that it does not circulate within national territory.” It was the only book banned in 25 years of “democratic” government in Venezuela.

## The case is reopened

On Sept. 19, 1991, the Venezuelan daily *El Globo* reported that a congressional investigatory committee had found that the Organización Diego Cisneros owned a Miami-based company, Celere, Inc., which was under investigation by the

U.S. Drug Enforcement Administration for at least three separate cases of cocaine trafficking. The committee was investigating drug-running and terrorism charges raised against several Venezuelans, including Lázaro Rogelio Ugarte Bresselau, a top executive of Celere, Inc. who had also served as a top security adviser to the Cisneros-allied Banco Latino.

That same day, Radio Caracas Televisión (RCTV) interviewed PLV Secretary General Alejandro Peña on the subject of *Narcotráfico S.A.* in its prime-time evening news broadcast. Peña reviewed what *EIR*'s book charged against Cisneros and his business partner, Banco Latino president Pedro Tinoco, and called for an investigation into the banning of the book.

At issue behind this new battle between the Cisneros interests and LaRouche's friends was a broad financial deregulation package which Cisneros and Banco Latino's Tinoco were trying to drive down the throats of Congress, which the PLV had repeatedly warned would turn Venezuela into "a narco-economy."

**Sept. 21, 1991:** Peña called a press conference to elaborate the charges against the Cisneros-Tinoco interests. Detailing Tinoco's enormous power over Venezuelan finances, and his ties to Rockefeller's Chase Manhattan Bank, Peña warned that "interests tied to the drug trade are interested in colonizing and monopolizing the Venezuelan economy."

Reporters from the Cisneros's Venevisión station asked the first question: Was it not true that the man behind *Narcotráfico S.A.*, Lyndon LaRouche, was in prison? Peña's answer, broadcast nationwide on primetime television by another television channel and covered in the print media, was simple: Showing a copy of Henry Kissinger's 1982 letter demanding the FBI persecute LaRouche, Peña said, "If my offices were raided in 1985 just because I had a few copies of the book, imagine what they did to LaRouche, who put out the book. . . . LaRouche is in jail for political reasons. . . . He is a political prisoner."

**Sept. 24, 1991:** Venezuelan congressmen grilled Ugarte as to whether he had been involved in the banning of *Narcotráfico S.A.*, citing allegations that Celere, Inc.—founded on Feb. 4, 1985, one day before the Cisneros-ordered police raid on *EIR*'s offices—had been set up in the first place to run the banning of the book.

**Sept. 28, 1991:** *Diario de Caracas* reported that PLV Secretary General Peña had been "harassed because of his denunciations." Strangers had driven ostentatiously past his home several times and taken pictures of his wife and apartment, the paper noted.

**Oct. 2, 1991:** Eighteen prominent members of the Venezuelan Congress, representing several different political currents, issued a communiqué calling for "the irregular and unconstitutional" ban against the circulation of *Narcotráfico S.A.* to be lifted. "We proclaim our most energetic opposition to the existence of censorship or any kind of prohibition of

any book or publication." Hearings were scheduled on the ban.

**Oct. 11-15, 1991:** Venezuela's other major television channel, RCTV, broadcast a series of PLV paid ads calling for the lifting of the ban against *Narcotráfico S.A.*

**Oct. 16, 1991:** The Cisneros organization placed large ads in three major Venezuelan dailies. Entitled "Disinformation, A Terrorist Instrument," the ads declared that "it is intentionally tendentious to seek to link the Cisneros Organization with the activities of the drug trade. Such an assertion is absolutely false." Legal action was threatened.

**Oct. 22, 1991:** *El Universal* reported that José Rafael Revenga, the vice president of Venevisión who along with Gustavo Cisneros had filed for the injunction against *Narcotráfico S.A.* in 1985, had filed a criminal suit against the PLV for defamation.

The same day, the Congressional Commission on the Media suddenly cancelled hearings it had scheduled two weeks before to investigate the book banning.

**Oct. 23, 1991:** Twelve senators from the Dominican Republic issued a statement urging their Venezuelan counterparts to lift the ban on *Narcotráfico S.A.* because the prohibition "hurts Venezuela's image around the world."

The same day, Congressman Gastón Guisandes, calling himself head of a previously unknown "Anti-Drug League," published full-page ads in three Venezuelan newspapers warning "public opinion" against "LaRouche and his followers." The ads denounced what it called LaRouche's "Disinformation terrorism," charging the alleged disinformation served the drug trade, and threatened RCTV for running the PLV ads. *Diario de Caracas*, reminding its readers that in 1988 Guisandes had publicly endorsed *Narcotráfico S.A.* as "containing the best and most complete information available," asked: "How much did his change of heart cost?"

**Oct. 27, 1991:** *El Nacional* newspaper published a paid insert attacking LaRouche, jointly published by the Anti-Defamation League's (ADL) Jerkow Institute for Latin America and Guisandes's "Anti-Drug League." Its authors were Morton Rosenthal and Mira Lansky Boland of the ADL. The cover of the expensive, four-color pamphlet pictured LaRouche behind bars, but the badly translated text complained that in Latin America, because of "an insufficiently developed public conscience about the sordid and grotesque components of the LaRouche political apparatus . . . the LaRouche network is flourishing." The pamphlet repeated standard ADL slanders, along with the line that the "La-Rouchies," expelled in 1985 from Venezuela, had been linked to the Soviet KGB and DGI.

**Nov. 25, 1991:** Peña was subpoenaed for questioning as a "witness" by the Sixth Circuit Criminal Court of Caracas, in a criminal libel suit brought by Revenga against various publications and entities (which did not include the PLV or Peña). Peña was not allowed to have a lawyer present during the closed-door interrogation. The case went no further.