

Is the U.S. Realizing Its Mistake On Colombia's Narco-Terrorist FARC?

by Valerie Rush

How do you defeat the Western Hemisphere's most dangerous narco-terrorist organization? Until recently, U.S. State Department policy toward the Revolutionary Armed Forces of Colombia (FARC) was to endorse "peace negotiations" between Colombian President Andrés Pastrana and the FARC leadership. After nearly four years of negotiations, the government of Colombia has surrendered its territorial and political sovereignty to these murderous narco-terrorists, kidnapping has become the country's most lucrative "industry" and cocaine and heroin its most lucrative "exports," and the entire Andean region of South America now faces a drug-financed terrorist insurgency on the Colombia model. The security of the United States itself is directly threatened on its southern flank.

The shocking events of Sept. 11 have apparently served as a wake-up call, and saner voices have finally begun to be heard in official Washington. On Oct. 10, for example, at hearings of the Western Hemisphere Subcommittee of the House Committee on International Relations, State Department counterterrorism director Frances Taylor stated, "Today, the most dangerous international terrorist group based in this hemisphere is the FARC," an admission that would have been unthinkable just a short time ago.

And on Oct. 24, speaking at a Pan-American seminar on money laundering, held in the Caribbean resort city of Cartagena, U.S. Ambassador to Colombia Anne Patterson declared that the FARC and its fellow terrorist groups in Colombia—the National Liberation Army (ELN) and the paramilitary AUC—"are all three deeply involved in the drug trade in Colombia. I want to emphasize that attacking the finances of these groups is not going to be easy, but our commitment is to reduce the money flow from illegal activities." Patterson suggested that top leaders of these terrorist organizations might be indicted in the United States, on money-laundering and drug-trafficking charges, and their extradition sought.

For years, the State Department has promoted the lie that the FARC were political "rebels with a cause," and has resisted all attempts to label them as "narco-terrorist." Indeed, long after being forced to put the FARC on State's list of international terrorist organizations, and despite overwhelming evidence of FARC involvement in the drug trade, officials

from the U.S. State Department had silently pursued negotiations with these drug-trafficking kidnapers and assassins.

Reality is now beginning to assert itself, but the question still remains: How does one defeat the most dangerous terrorist threat in the Western Hemisphere? This subject has been repeatedly addressed by *EIR*, and its founder and 2004 Democratic Presidential pre-candidate, Lyndon LaRouche: You have to go for the head. In the case of the FARC, the head is not hiding out in the cocaine jungles of Colombia, but on Wall Street and the City of London. It can properly be called, "The Grasso Factor."

Evolution Of The FARC Cartel

The FARC started out in the 1950s as a gang of peasant bandits, picked up and financed in the 1960s by the then-powerful Communist Party of Colombia. It was not until the late 1970s and 1980s that links began to be established with the drug trade. First operating as security for the cartels' drug laboratories and clandestine airstrips, the FARC soon discovered the benefits of tapping into the weapons- and drug-smuggling routes established by the cartels. By the mid-1980s, it is estimated that the FARC was already bringing in some \$40 million a year in protection money paid by the drug cartels.

Using that money to expand its forces, the FARC was soon able to challenge the cartels' control of the drug plantations, and then their cocaine labs and smuggling routes. Bloody warfare led to a definite break in FARC relations with the Medellín Cartel. By the late 1980s, the FARC was setting up its own contacts with dealers in Colombia and abroad, and a special "Financial Front" was established to manage the vast new flows of drug money, under the leadership of Luis Edgar Devia Silva, a.k.a. "Raúl Reyes." The FARC Cartel was born.

Wall Street was involved from the outset, and used various "human rights" non-governmental organizations to run a protection racket for the FARC. Even while raking in an estimated \$1 billion per year in combined drug revenues, extortion, and kidnap ransoms, the FARC seemed to be leading a charmed life. The international human rights lobby had shackled the Colombian Armed Forces, and successive governments in Bogotá were bending over backward to lure the FARC into power-sharing "peace talks." Even the U.S. gov-

ernment was turning a blind eye, refusing to heed the warnings of its own anti-drug official, Gen. Barry McCaffrey (ret.), that the FARC was financing its dramatic growth with drug money.

Once President Pastrana granted the FARC its own “demilitarized zone,” which the FARC itself describes as a “state within a state,” the Wall Street connection went public. In June 1999, New York Stock Exchange (NYSE) President Richard Grasso flew down to FARClandia, as the FARC-controlled “demilitarized zone” has been dubbed, where he met with FARC financial czar Raúl Reyes. Afterwards, Grasso hailed the FARC leadership as “extraordinary,” and Reyes as “very sophisticated, despite what his appearance may have been, given his jungle fatigues and his M-16.” Grasso said they had discussed a “mutual exchange of capitals,” and announced that he had invited the FARC leadership to “walk the trading floor with me” at the NYSE. Specifically, Grasso described his trip as part of the NYSE’s strategy of being “very aggressive in trying to pursue international markets and opportunities,” and he said he hoped his visit “will mark the beginning of a new relationship between the FARC and the United States.”

Translating for Grasso at the meeting in FARClandia was then-Colombian Finance Minister Juan Camilo Restrepo, who was conducting meetings with an International Monetary Fund (IMF) mission in Bogotá at the same time. Just weeks before the Grasso visit, the Colombian statistical agency DANE had issued a press release, which revealed that Colombian Gross National Product calculations in the future would include “illicit crops in agricultural production,” as per the explicit instructions of the IMF.

The Legalization Drive

The IMF had dictated the first major step toward legalizing Colombia’s drug economy. Grasso was now taking the second. Indeed, following his visit in search of new “investment opportunities,” the financial world’s pilgrimages to Colombia came thick and fast.

In January 2000, “thirteen of the world’s leading financial and business heavyweights,” according to the news media, descended on Bogotá to meet with Colombian President Pastrana and his finance minister. These magnates, dubbing themselves “the Millennium Group,” included Grasso, America OnLine founder Jim Kimsey, and corporate and banking representatives from a number of other countries. The day-long conclave was dedicated to mapping out an “investment” strategy for Colombia. In a press conference after the meeting, AOL’s Kimsey gushed that Colombia was a land bursting with opportunities, and that all it really needed was “an image boost.”

Orchestrating the Millennium meeting was “mover-and-shaker” Violy McCausland, a former partner of World Bank President James Wolfensohn, and an expert in “private capital raising, restructuring, privatizations, and project financing.”

McCausland is Colombian by birth, but makes her home in New York. Her firm is considered one of the top ten advisory firms in Ibero-America.

A few weeks after the Millennium gathering, six top FARC leaders, including Raúl Reyes and former banker-turned-terrorist Simón Trinidad, left FARClandia and, together with delegated representatives of the Pastrana government, went on a high-profile month-long tour of a half-dozen European countries, including those where McCausland has her networks. Much of the discussion, as with the Millennium meeting, involved European “investment” in the peace process, including financing “alternative development” programs in Colombia’s cocaine heartland. It was later revealed that the FARC Euro-tour had been planned back in June 1999, not coincidentally the same period of Grasso’s visit to FARClandia.

In early March, Kimsey and his cohort Joseph Robert, a millionaire real estate baron, flew down to FARClandia to meet with FARC chieftain Manuel Marulanda. In a *Washington Post* commentary written a year later, Kimsey and Robert suggested that the next step was for FARC leaders to come to the United States, to speak “directly to the U.S. Congress and the American people. . . . We do believe our leaders should listen to them.”

What does the FARC have to say, which U.S. leaders should listen to? Perhaps Kimsey had in mind the open letter written by the FARC to the U.S. government, and released to the media just weeks after his departure from Colombia, in which the narco-terrorists called for global drug legalization. The FARC proposed that U.S. congressional delegations be sent to Colombia, to speak with FARC leaders, tour the country’s vast cocaine plantations, and talk directly to Colombia’s coca-farmers about their “crops.”

Today, the FARC is reputed to be 20,000 strong. It directly controls a swathe of land the size of Switzerland, in Colombia’s southern cocaine heartland. Apart from the 90,000 inhabitants of the area who are now enslaved to FARC tyranny, FARClandia serves as a holding pen for kidnap victims and military/police “prisoners of war.” International terrorists are smuggled into FARClandia to provide FARC forces with weapons and explosives training. Military surveillance overflights report that coca plantations cover one-third to one-half of the area inside FARClandia’s borders. FARClandia also serves as a staging area for terrorist assaults outside its borders, and as a refuge into which Colombia’s military may not enter in pursuit. FARClandia is gradually being expanded, as more and more towns outside its borders are absorbed under threat of terrorist retaliation.

The FARC, and the “Grasso Factor” which controls it, is a perfect place for the U.S. government to begin a serious war against narco-terrorism, by going after the international financial networks that sponsor it, while providing the Colombian military the equipment, training, and intelligence it needs to handle the problem within its own borders.