

LaRouche book 'Dope, Inc.' center of Venezuelan scandal

by Gretchen Small

David Rockefeller's leading Venezuelan business partner, multimillionaire Gustavo Cisneros, once again finds himself at the center of a drug-trafficking scandal he thought he had successfully buried six years ago. On Sept. 19, the Venezuelan daily *El Globo* reported that a congressional investigatory committee has evidence that Cisneros is the real owner of Celere, Inc., a Miami-based company which the U.S. Drug Enforcement Administration (DEA) has under investigation for at least three separate cases of cocaine trafficking.

Many more than Gustavo Cisneros are now in a state of near panic. The report strikes at the heart of the financial interests which control the Carlos Andrés Pérez government. Cisneros is widely known as the regime's moneybags; his business partner and former employee, Pedro Tinoco, Jr., heads the Central Bank. Both men have served Rockefeller family interests for years: Tinoco as Chase Manhattan's representative in Venezuela; Cisneros joining Henry Kissinger on Chase's International Advisory board under David Rockefeller. Rockefeller control over the government is so tight that Pérez hired Kissinger as his investment adviser in 1990.

These interests have set out to turn Venezuela into an international financial haven for hot monies—no questions asked. A team operating under Central Bank chief Tinoco has drawn up plans for the total deregulation and reorganization of the national financial system, reforms required before their scheme can go into operation. The reforms were first unveiled, not in Venezuela, but before Rockefeller's Council of the Americas in January 1990. Now, all that stands in the way of implementation of this is the approval of the Venezuelan Congress.

The financial reform has encountered more resistance than its authors expected, particularly because it is no secret that the reforms would transform Venezuela into the drug

money-laundering center of the continent. When the reform laws were first unveiled, Superintendent of Foreign Investment (SIEX) Edison Perozo issued a pamphlet warning that their passage "will implement a narco-economy system, to great benefit for the drug-traffickers," while "many national industries will pass into foreign hands." Within short order, Perozo was fired, and the SIEX replaced by a new Presidential Advisory Committee on International Investment—headed by Henry Kissinger, and including such luminaries as American Express's James Robinson, Fiat's Giovanni Agnelli, and Nestlé's Helmut Maucher, among others.

Opposition did not end with that, however. In October 1990, the Venezuelan Labor Party (PLV) issued a special report entitled "Financial Reform Will Lead to a Narco-Economy," which circulated widely in Caracas. Until the Cisneros-Celere scandal broke, however, opposition to the Tinoco reforms remained limited to a small minority which received little publicity. Now, the only thing discussed in Venezuela is whether the Cisneros-Tinoco interests behind the financial reform have been caught running the drug trade themselves.

The ghost of Narcotráfico, SA

The Celere, Inc. dope connection has been news all over the Venezuelan press for the past few months, because a top executive of the company is Lázaro Rogelio Ugarte Bresselau, who had been security chief for Pérez—until the news of the DEA investigation became public. A congressional committee set up to investigate charges that Ugarte and another former Pérez security chief named Orlando García were involved in terrorism and drug-running (see *EIR*, Aug. 2, 1991), then leaked its findings that the real owner of Celere, Inc. was the Cisneroses. Spokesmen for the Organización Diego Cisneros, the Cisneros family holding company, im-

mediately issued an “energetic” denial.

The denial did nothing to silence the scandal, however, largely because no one has forgotten the hysterical witchhunt which Gustavo had launched in 1985 against *Executive Intelligence Review* and its best-selling exposé of the dope trade, *Dope, Inc.*

In late January 1985, *EIR* had issued an updated Spanish-language edition of *Dope, Inc.* The book, commissioned by *EIR* founder Lyndon LaRouche, revealed how international oligarchic families run the dope trade through the banks, in collaboration with Soviet networks. Only days after a few copies of *Narcotráfico, SA* had arrived in Venezuela, police raided *EIR*'s offices in Caracas, confiscated all copies of the book, deported *EIR*'s correspondents, and arrested a group of LaRouche's Venezuelan friends, all because the new edition of the book contained a chapter noting Cisneros's ties to international money-laundering interests.

Gustavo Cisneros personally, joined by the vice president of the Cisneros organization, José Rafael Revenga, petitioned the courts to prohibit all sales or distribution of *Narcotráfico, SA* within Venezuelan territory. Judge Alirio Abreu Burelli obliged, making *Narcotráfico, SA* the first book banned in Venezuela in decades. To this day, the book is illegal in Venezuela.

While the Cisneros-controlled television and newspapers launched a non-stop media tirade against LaRouche as a “mercenary of disinformation,” David Rockefeller flew into Venezuela to hold a press conference with “his friend” Cisneros.

PLV, LaRouche, have their day

The degree of hysteria displayed by the Cisneros interests against a book which only reported the facts on the public record of Cisneros's business ties, which themselves were linked to international money-laundering, raised eyebrows internationally—and set off a few police investigations as well. So, when it was reported that the Cisneros family owned a company caught running dope, everyone in Venezuela remembered *Narcotráfico, SA*.

The same day the *El Globo* report appeared, Radio Caracas Televisión (RCT), one of the two major national television networks in Venezuela, interviewed PLV Secretary General Alejandro Peña, one of LaRouche's friends who had been arrested in 1985. In a 10-minute segment broadcast nationally, on prime-time evening news that same night and again in the morning, Peña reviewed what *Narcotráfico, SA* reported about Cisneros and Tinoco, and called for an investigation into the banning of the book.

With radio talk shows around the country buzzing over the story, Peña called a press conference on Sept. 21. Reporters from the Cisneros television channel Venevisión spoke first, demanding that Peña admit that the man behind *Narcotráfico, SA*, Lyndon LaRouche, is now in prison serving a long sentence.

“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,” Peña answered. As the cameras began flashing, Peña then held up a copy of a 1982 letter from Henry Kissinger to then-FBI Director William Webster. “This letter, as you can see here, is addressed, ‘Dear Bill,’ and in it Kissinger calls on his friend Webster to use the resources of the government of the United States to persecute LaRouche,” Peña explained.

Peña reported on how LaRouche's political influence in the U. S. had been growing before his indictment, including the votes his colleagues were getting in elections, especially the 1986 statewide Democratic Party primary victories in Illinois. He also noted LaRouche's opposition to the Iran-Contra policy, setting off another round of flashing cameras as he held up a copy of the telex message concerning LaRouche, complete with “classified” and “secret” stamps, sent by Iran-Contra figure Gen. Richard Secord to Oliver North, which was later found in North's safe.

“Given all this information, I believe that LaRouche is in jail for political reasons, that he is a political prisoner. Don't you agree?” Peña concluded.

The Cisneroses' witchhunt had backfired: The truth about LaRouche and who imprisoned him was now available to every Venezuelan. Venevisión did not cover the press conference, but RCT aired the LaRouche case on prime-time national television, and two daily papers carried the news.

Will free speech be allowed?

The battle has only escalated since then. On Oct. 2, eighteen prominent members of the Venezuelan Congress, representing several different political currents, issued a communiqué calling for “the irregular and unconstitutional” prohibition against the book *Narcotráfico, SA* to be lifted. “We call on the appropriate authorities . . . to correct this irregular and unconstitutional action, which . . . is prejudicial to free speech in Venezuela” (see box).

During special hearings Sept. 24, Venezuelan congressmen had grilled Celere, Inc. executive Lázaro Ugarte as to whether he had been involved in the banning of *Narcotráfico, SA*. When Ugarte attempted to dismiss the book and LaRouche out of hand, the congressmen warned him that it would be irresponsible for the committee not to thoroughly air the charges made by Peña, especially since allegations have been made by others that Celere, Inc.—founded on Feb. 4, 1985, one day before police raided *EIR*'s office—was created with the express purpose of doing away with *Narcotráfico, SA*.

Also feeling the heat is financial reform author Tinoco. Tinoco's name had come up originally in the Celere scandal because it was he who had brought Ugarte back to Venezuela after a period of virtual exile in Spain—a Cuban-Venezuelan CIA agent who operated under three different identities, this was not the first time Ugarte had found himself in trouble.

Congressmen seek to lift ban on book

Issued in Caracas, Venezuela on Oct. 2, 1991:

We, the undersigned, Senators and Representatives of the Republic of Venezuela, in our capacity as representatives of the popular will, through the present communication express our allegiance to the National Constitution and our commitment to defend the rights of all Venezuelans, especially that of freedom of expression, specified in Article 66 of the Constitution in the following terms:

"Everyone has the right to express his views either orally or in writing, and, in so doing, to make use of any media, with prior censorship being prohibited. . . ."

Based on this constitutional precept, as well as on the mandate of our own conscience, we proclaim our most energetic opposition to the existence of censorship or any kind of prohibition of any book or publication.

It has recently come to public attention that, on February 15, 1985, and by order of the Civil Court of the Fourth Circuit, a book called *Narcotráfico, SA* was prohibited from freely circulating. Because of the aforementioned, and independently of the concepts presented in that book, we call upon the appropriate authorities, and especially upon the Judicial Branch, to correct that irregular and unconstitutional action, which, by any lights, is prejudicial to free speech in Venezuela.

Signed:

Rafael Montes de Oca (Copei)

Rafael Tudela (Independent)

Gabriel Niño (Independent)

Casto Gil Rivera (MEP)

Rafael Guerra Ramos (MAS)

Héctor Collins (Independent)

Aristóbulo Istúriz (Causa R)

Ricardo Gutiérrez (PCV)

Pedro Escarrá (MIN)

Luis Manuel Esculpi (MAS)

Héctor Pérez Marciano (MAS)

Jesús Valderrama (Independent)

Alexis Ortiz (Independent)

Pablo Medina (Causa R)

César Pérez Vivas (Copei)

Luis Hernández (Independent)

Rodrigo Cabeza (MAS)

Jorge Leon Díaz (Independent)

Party affiliations listed for purposes of identification only.

Tinoco hired Ugarte to work for him at Tinoco's private bank, Banco Latino.

In his television appearances, the PLV's Peña, noting that Tinoco had also been cited in *Narcotráfico SA*, called for an investigation into Tinoco's enormous power over Venezuelan finances. Tinoco serves as chief executive of the Latino financial group, representative of Chase Manhattan, Central Bank chief, and Venezuela's chief debt negotiator, all at once, Peña noted. He is buying up banks on Venezuela's borders with Colombia, and promoting a financial reform that will lead to Venezuela becoming a narco-economy. Many foreign banks, including Tinoco's Chase, which have been investigated in the U.S. for drug money-laundering, are planning to take advantage of this situation, and are grounds for suspending the financial reforms, Peña stated.

He further called for an investigation into the funds which are being used to buy up the basic state-owned industries of the country, since "it is not a secret that interests tied to the drug trade are interested in colonizing and monopolizing the Venezuelan economy, and they could very well use the so-called process of privatizations to do so."

On Oct. 1, the editorial of the Sunday edition of the widely read *Diario de Caracas* tore into the Pérez government's foreign debt refinancing concluded earlier this year as one more "fraud," not only from the standpoint of the debt being illegally contracted, but also due to "the prejudice to the country that could have been caused by the fact that Pedro Tinoco was the negotiator with the foreign banks." Citing Peña's charges, *Diario de Caracas* noted that Tinoco's role in the debt negotiations was more complicated than Ugarte's three identities; Tinoco wore four hats: "president of the Venezuelan Central Bank, negotiator of the foreign debt, head of one of the most important financial groups in the country, and adviser to Chase Manhattan Bank (the bank that presided over the creditor banks' steering committee)." This poses a clear conflict of interest "whose implications must be clarified and quantified before the nation," *Diario de Caracas* concluded.

The same day, the daily *El Nacional* gave Tinoco a full page to promote his projects. He pumped his financial reform, calling it helpful to Venezuela because by bringing in "the good banks, the solid international banks," Venezuela could "transform itself into an important regional financial center." We should furthermore move towards privatizing our oil industry, he added.

Tinoco has not limited himself to interviews to defend himself. Peña has been "harassed because of his denunciations," *Diario de Caracas* reported Sept. 28. Strangers have driven ostentatiously past his home several times in an all-terrain vehicle with tinted windows, and taken pictures of his wife and apartment, the paper noted. To make sure Peña understood the surveillance was a threat, the same drivers later came back to deliver an old quarterly report from Tinoco's Banco Latino.