

EIR

SPECIAL

REPORT

Bush's surrender to Dope, Inc.

U.S. policy is destroying Colombia

EIR

SPECIAL REPORT

April 1, 1991

Executive Intelligence Review

Bush's surrender to Dope, Inc.

U.S. policy is destroying Colombia

by Executive Intelligence Review

Copyright © EIR Research, Inc. 1991.
This report and its contents are for the
clients of Executive Intelligence Review
and are not for general distribution. Repro-
duction of all or part of the contents with-
out explicit authorization of the publisher
is prohibited.

Executive Intelligence Review
P.O. Box 17390
Washington, D.C. 20041-0390

Price: \$100

Contents

I.	How to win the war on drugs . . . and how to lose it	1
II.	Gaviria negotiates dual power with the narcos	7
III.	Colombia's decade of resistance: the martyrs	17
IV.	Colombia's drug legalizers: the 'Notables'	34
V.	The narco-terrorist protection apparatus	51
VI.	U.S. government agencies support the drug mob	69
VII.	The legalization lobby: making crime pay	78
VIII.	U.S. banking system is hooked on drug money	99
IX.	Pot production soars as depression hits United States	104
X.	'Dope, Inc.' is doubling every five years	118
	Appendix: Lyndon LaRouche's plan for the war on drugs	134
	Index	138

I. How to win the war on drugs . . . and how to lose it

When George Bush toured Ibero-America at the end of 1990, he unabashedly boasted that his Andean anti-drug strategy had been one of his three major foreign policy "successes," along with Panama and Nicaragua. And when his drug czar William Bennett resigned that post one month earlier, he told an incredulous public that his work was done, and that the United States "was on the road to victory" in beating the drug plague.

Bush and Bennett lied; the reality is quite the opposite. Not only is



Stuart Lewis

Targets of the dope legalizers: America's children

consumption of mind-destroying drugs like marijuana and cocaine *not* declining, or even leveling off, it is skyrocketing. There are currently about 70 million Americans who have consumed drugs—nearly one-third of the population. The official U.S. government statistics that claim that drug use is declining are based on absurd polling methodology and deliberate falsifications. For example, the Senate Judiciary Committee, chaired by Sen. Joseph Biden (D-Del.), issued a report in December 1990, which documented in detail the absurdity of the Bush administration's claims, estimating that there are actually almost four times as many cocaine addicts in the United States, as the administration admits to. In fact, many of the statistics that supposedly indicate lower addiction rates are simply the result of *reduced reporting* of drug use, as a result of government budget cutbacks!

Drug production in Third World nations is also on the rise. According to conservative calculations based mainly on official production statistics supplied by the U.S. Drug Enforcement Administration (DEA), *EIR* has calculated that the drug trade is growing so rapidly—over 15% per year—that it is effectively *doubling in size every five years*. In 1989, it averaged annual revenues from street sales on the order of \$558 billion, more than the annual world consumption of oil!

A captured market

Smelling defeatism in the air, the lobbyists for drug legalization have gone into a frenzy of activity, in the United States and abroad, to convince people that the war on drugs is unwinnable. What was once considered morally reprehensible to the majority of U.S. citizens—that our children should have access to mind-killing narcotics—is now being openly pushed by such prominent U.S. Establishment figures as former Secretaries of State George Shultz and Cyrus Vance.

The legalizers have already made significant inroads. In the name of adapting to the "new realities," free hypodermic needles are now being offered to heroin addicts in American cities. Free condoms are being distributed to school children, while Satan worship is the ever-popular theme of rock music. In this bestial "counterculture" of satanic music and sexual promiscuity, drugs are presented as just another part of the "new reality" with which Americans must learn to co-exist.

The drug lobbyists in the developing sector are working hand-in-glove with their colleagues in the United States. In a major drug-producing country like Colombia, legalization advocates point to the uncontrolled drug abuse in the United States as the primary justification for legalizing the drug trade at home. Why should we spend money we can ill afford and sacrifice our finest citizens to wage a war that "is not ours"? they argue. It were better to "control" the violence through legalization. Besides, think of all the things our indebted country could do with billions in drug dollars. And so, morality gives way to the pragmatic politics of the free market ethic, and the negotiations are launched, the deals struck. Today, Colombia's government—under pressure from the Bush administration—is in the process of negotiating a virtual power-sharing arrangement with the cocaine cartels. With the cartels *de facto* legalized, the *de jure* legalization of their product is just around the corner.

Colombia is a crucial testing-ground for the legalization strategy of Dope, Inc. Can a nation's moral will to survive be successfully undermined? Who wins—or loses—in that country could help determine whether American children grow up to be astronauts and city-builders, or pimps, prostitutes, and drug addicts.

U.S. policy: legalization

President Bush is fully complicit in the legalization strategy. He has stated that his government's official policy is to *reduce* drug consumption by 50% over the next decade—not eliminate it.

The problem begins with Washington's economic policies. Virtually every U.S. administration since that of John F. Kennedy has premised its economic and financial policies on strict adherence to the anti-growth dictates of the International Monetary Fund (IMF) and the international banking establishment. This system has placed a premium on investment in speculative activities, and not in real production. What has happened as a result, is that the international financial system has become progressively more addicted to the flow of drug monies, to the point where today, the banking system is as hooked as a junkie is on heroin. Not surprisingly, the international financial establishment is opposed to any serious war on drugs.

In 1984, a U.S. "market economist" working for the Inter-American Development Bank returned from Colombia, where the cocaine cartel had just offered to bring their billions of dollars back home in exchange for an amnesty and legalization of the drug trade. The IADB employee admitted, "The volume of [drug] dollars involved is so large that their government has very little choice in this matter. . . . IMF pressure is on. . . . The government has to find a solution. Whether it is moral or immoral is immaterial. . . . The IMF is not officially making demands, but last week while at the Central Bank I ran into the IMF people. The head of their Colombia desk was there. . . ."

The March 1988 issue of the U.S. State Department's *International Narcotics Control Strategy Report* stated outright that the profits of the drug trade could be "beneficial" for debt-burdened Third World economies: "From different vantage points, there are both positive and negative perceptions of the effects of narcotics money laundering. Proceeds from drug trafficking are used to finance other criminal activities . . . to threaten governments . . . and support insurgencies. . . . Despite these serious problems, laundering criminally derived money can provide benefits to some otherwise economically unattractive countries. Such monies



U.S. Drug Enforcement Administration

The International Monetary Fund has pressured countries into growing dope, in order to pay their debts. Shown here is a peasant woman harvesting coca in Peru.

Working with the drug cartels

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."

In June 1989, the London *Economist* proudly admitted, "The [drug] business . . . has become part of the financial system."

The Bush administration is fully committed to protecting and promoting this state of affairs.

Getting absolute control of Dope, Inc.'s billions means legalization. In practice, this has meant working with certain groups of drug runners to control or eliminate others. In the case of Colombia's drug cartels, the U.S. government has maintained a working alliance with the so-called Cali Cartel against the Medellín Cartel of Pablo Escobar and José Gonzalo Rodríguez Gacha. The result has been, as is now admitted in such organs of the liberal Establishment as the *Washington Post*, that the Cali Cartel has become dominant among the various Colombian groups—with behind-the-scenes American approval. Small surprise, when one learns that one of the official Washington lobbyists of the Cali Cartel is Michael Abbell, a 17-year employee of the U.S. Justice Department who became one of its highest officials, as director of the department's Office of International Affairs. Abbell was quoted in the *Washington Post* saying of the Cali Cartel: "The people in Cali have been adamantly opposed to any violence. . . . My impression is you can work with these people."

The drug runners also know where to turn for influence in Washington. The Colombian lawyer Joaquín Vallejo Arbeláez, who, on numerous occasions, has publicly represented the Medellín Cartel "Extraditables," as the drug runners call themselves, told the press that the cocaine cartel was hiring lobbyists in Washington. "Even Kissinger's name was thought of. They knew what Kissinger costs. However, they said they were ready to take on those costs for the purpose of convincing the American government of the appropriateness" of making a deal.

By actively promoting the destruction of the military in every Ibero-American country, one of the only surviving institutions capable of stopping Dope, Inc., the Bush administration has destroyed any possibility of a collaborative anti-drug effort between Ibero-America's nations and the United States. The Bush administration has withheld critical financing, economic assistance, and weapons technology from nations battling the drug cartels, while forcing paramilitary operations by U.S. troops upon these same nations—operations which violate their sovereignty and promote the dismantling of their legitimate military forces. The invasion of Panama was the classic case of such an operation, which constituted a dangerous precedent for the entire hemisphere. Not surprisingly, drug trafficking in Panama has *increased* since the U.S. invasion of December 1989.

After the Panama invasion precedent, the Bush administration has used its so-called War on Drugs as a cover for deploying U.S. military forces across Ibero-America. A good case study of how this works—and why Ibero-American patriots rightly find this so offensive—can be seen in Peru.

According to a May 30, 1990 article in the *Philadelphia Inquirer*, "about a dozen veterans of the Reagan administration's illicit effort to aid Nicaragua's Contra rebels have volunteered to fight the Bush administration's cocaine war in Peru," and are operating there as part of the U.S. forces at the Santa Lucía military base in Peru's coca-producing region. Among those "veterans" is Richard J. Meadows, a mercenary from the hosts of

Irangate principal Maj. Gen. Richard Secord. Meadows, writes the *Inquirer*, "directs security at a 19,000-acre palm oil plantation adjacent to the U.S.-Peruvian counter-narcotics base at Santa Lucía in the Upper Huallaga Valley." That palm oil plantation belongs to the Romero family, oligarchs who own the powerful Banco de Crédito, Peru's most notorious drug money laundry. Charges that the Romero plantation's private airport is used with impunity for cocaine transport have appeared repeatedly in the Peruvian press. So what are Meadows and his men doing there, with official U.S. government sanction?

Under such conditions, no Ibero-American patriot committed to defeating the drug plague can work with a U.S. government promoting such policies under the guise of a phony War on Drugs. In 1983, U.S. economist and presidential candidate Lyndon H. LaRouche, Jr. issued a call for the nations of Ibero-America and the U.S. to launch a joint military war on drugs (see Appendix). Back then, this was a difficult, but workable strategy. Now, after the invasion of Panama, Ibero-America's patriots have been forced into a position of keeping Washington at arms' length, while otherwise trying to implement the measures specified by LaRouche on their own. This will remain the case until and unless Washington's policies are reversed.

Destroying Dope, Inc.

The international drug trade today has amassed such power, wealth, and military might that it almost constitutes a government unto itself, stronger and better supplied than the legitimate governments of many nations. Yet with all its power, the single most effective weapon in the dope trade's arsenal is the Big Lie that it is too big and powerful to stop. But it can be defeated. An all-out military war on drugs must be declared. The means and methods of war must be applied in every sense. Top traffickers, and especially major drug bankers, must be treated as are traitors in time of war. Consumers and advocates of the legalization of drugs are guilty of giving aid and comfort to the enemy in time of war, and must be prosecuted for such crimes.

To destroy Dope, Inc. and eliminate the drug problem, it is not a matter of arguing whether consumption or production must be stopped first. The enemy must be hit simultaneously on all fronts—above all on the financial front. The money-laundering aspect must be attacked with special vigor, since this is Dope, Inc.'s jugular—and in war, one must always go for the enemy's jugular.

To do this, alliances are needed among those governments, in both consuming and producing nations, that are willing to carry out this war, but with *full respect for national sovereignty*. Each government shall be responsible for prosecution of this war within its own territory.

The specific measures to be taken can be summarized in the following six points:

1) Stop the money laundering

Total regulation of financial institutions must be established, making them "transparent," that is, subject to full disclosure as to the origin of deposits and other transactions. No more secret, numbered bank accounts in offshore banking centers. All those who violate these regulations must be prosecuted. Those found guilty of drug trafficking must have all their assets confiscated: bank accounts, real estate, businesses, and personal funds. The drug bankers, the launderers of \$558 billion per year in bloody drug money, must go to jail.

2) Stop the production

The most advanced technologies must be employed to find, track, interdict, search, and seize narcotics. Satellite remote-sensing technology

makes it possible to detect even hidden fields of marijuana, coca or poppy, as well as clandestine air fields. Once identified, every field of marijuana, opium, and coca in the Americas, except those few licensed by governments, and every processing laboratory and storage depot for drugs, must be annihilated with a total military assault, by land and air. The clandestine air fields must be destroyed. All illegal shipments of the chemicals used in processing cocaine must be identified and stopped, beginning with those coming from the United States.

3) Stop the distribution

Every border must be sealed against narcotics flows. All sea, truck, rail, and air container traffic must be searched. Unlogged planes or boats attempting to cross the borders which refuse to identify themselves to the authorities must be stopped—militarily, if necessary. X-ray and nuclear magnetic resonance machines are already being adapted in the United States for use in scanning letters and small packages. Testing has begun on a variety of neutron emission and gamma ray detection instruments which allow Customs officials to examine larger shipments or containers without opening them.

4) Stop the consumption

To advocate the legalization of drugs is like advocating murder. It must be punished by law. Tough penalties against narcotics distribution and use must be imposed and enforced.

5) Stop pornography and satanism

Satanism is not a form of "religion" which one has the right to freely choose. It is the deliberate promotion of evil—including drugs. Like pornography, especially child pornography, it must be subjected to the full weight of the law. Youth must instead be given access to classical education and culture.

6) Develop the Third World

The billions of dollars of the narcotics trade—including those lying in foreign bank accounts—can be used to fund great development and infrastructure projects in the countries now being destroyed by the drug trade. The use of advanced technology in agriculture, in particular, is essential for a viable crop substitution program. In these ways, the peasants and workers in the producer nations can be provided with full productive employment.

Striking at the financial front will eliminate the power of the drug trade to corrupt political institutions and destroy our nation's will to survive. Prosecuting this as a war will remoralize our citizens, and give courage to our youth. Thus can we win total victory over this evil swiftly, and with least cost to human life and liberty.

Should we fail to do this, the cost will be the loss of the moral, cultural, religious, and family values of Western Judeo-Christian civilization itself.

II. Gaviria negotiates dual power with the narcos

On Dec. 9, 1990, less than 25% of the Colombian electorate chose 70 people to represent them in a Constituent Assembly charged with writing a new Constitution in 1991 that would “modernize” the nation and guarantee “global peace.” The highest percentage of votes to a single slate, 27%, went to that of Antonio Navarro Wolf, leader and former presidential candidate of the just-amnestied narco-terrorist M-19, and an outspoken advocate of drug legalization and peace negotiations with the cocaine cartels.

Navarro Wolf, who had resigned from a ministerial post in the cabinet of President César Gaviria Trujillo just a short time before, has thus emerged as the front man for a group of forces determined to drastically alter Colombia’s institutional structures, by rewriting the country’s 100-year-old Constitution. The Assembly, which the M-19 and its allies are expected to dominate, although illegally constituted, has nonetheless been pronounced *fully sovereign* by the intimidated Colombian Supreme Court. It is now empowered, if it so chooses, to declare Colombia a monarchy or a socialist state; it can dissolve Congress or disband the Armed Forces; it can pronounce the country a colony of a foreign power; it can drive the Catholic Church underground; and it can—and most certainly will—ban the extradition of drug runners to the United States, preparatory to giving an amnesty to the cocaine traffickers.

Gaviria’s transformation

A mere six months earlier, Colombia’s voters had turned out en masse to deliver a political drubbing to an array of would-be legalizers and appeasers, including Navarro Wolf, Development Minister Ernesto Samper Pizano, and Conservative politician Alvaro Gómez Hurtado. The electorate set their hopes for an end to the narco-terrorist violence ravaging their country on Gaviria, the only candidate to publicly support a policy of continuing the war on drugs until victory, extraditing drug criminals, and confiscating their ill-gotten properties.

César Gaviria had been named successor to the presidential candidacy of his friend Luis Carlos Galán, immediately after the popular front-runner was assassinated by mafia hitmen on Aug. 18, 1989. At the funeral, Galán’s 17-year-old son Juan Manuel told Gaviria before tens of thousands of mourners: “May you be the President Colombia needs!”

Gaviria was not exactly a life-long Galán loyalist, however. He had

FIGURE 1

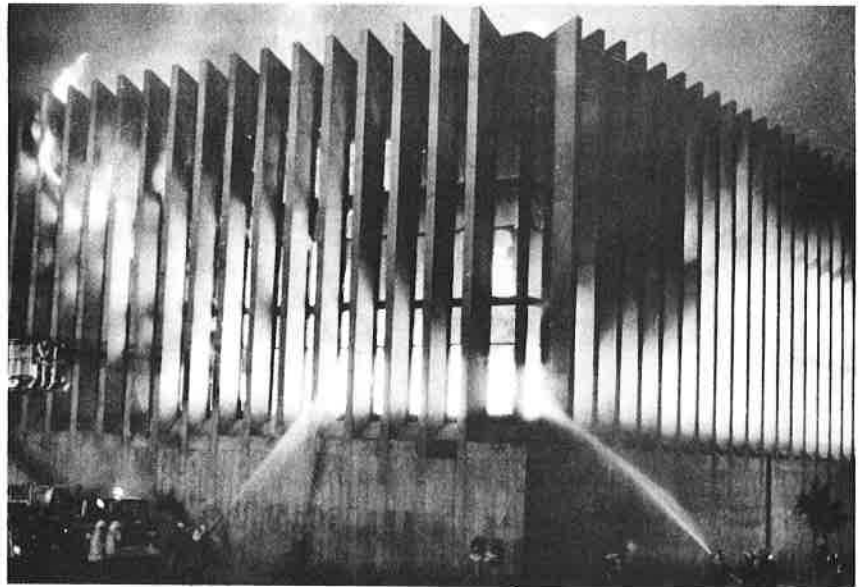
Colombia: a test case for drug legalization



come up in politics in the "official" wing of the Liberal Party, run by ex-President Alfonso López Michelsen, which was totally opposed to the policies of the New Liberalism faction of the party founded by Galán. In fact, Gaviria had held cabinet positions in López-linked governments. Gaviria came over to the New Liberalism grouping only weeks before Galán's murder, and, because of his past positions of political prominence, Galán named him as his national campaign coordinator. And so, when Galán was murdered, the mantle fell to him.

On March 11, 1990, when Gaviria won the Liberal Party presidential nomination with a stunning majority, he told the nation that his victory was "the victory of Luis Carlos Galán, of Gloria [Galán's widow], of Juan Manuel and his brothers, of his parents, of all those who accompanied him on his long and difficult passage through our public life. This is both a great and a tragic moment, because his death was necessary for the triumph of his ideals." And on May 27, upon learning of his victory in the presidential elections, he pledged, "We will defeat narco-terrorism. We will make no concessions."

By the time his Aug. 7, 1990 inauguration came around, however, Gaviria was already betraying those ideals. His first cabinet appointments included Navarro Wolf, a years-long collaborator of the very murderers who had killed Galán; Ernesto Samper Pizano, the drug legalizers' leading



The M-19's siege on the Justice Palace left 100 dead, and now the group's leader, Antonio Navarro Wolf, is a member of the Constituent Assembly and a leading advocate of "peace" with the drug cartels. Shown here: Firefighters battle the blaze after the M-19's shootout with the Army.

lobbyist and protégé of López Michelsen, who has politically represented the interests of the drug cartels for nearly two decades; and Rudolf Hommes, another López Michelsen appointee and former business partner and close associate of Rodrigo Botero Montoya, the architect of López's infamous 1974 "tax reform" which opened the Colombian economy to the drug trade.

One month after assuming the presidency, on Sept. 5, Gaviria unveiled a new legislative decree in an address to the nation, in which he promised drug traffickers to end the policy they most feared: extradition to the United States. He also offered them substantial reduction of sentences, in exchange for surrender to and cooperation with the authorities. The decree, Gaviria announced, was intended to "smash and eradicate terrorism," by rewarding those prepared to abandon terrorism as a weapon against the state. On Sept. 21, the anti-drug daily *El Espectador* published a prescient editorial which characterized Gaviria's offer to the cartels as "a surrender, the abandonment of a state of law [for a] quietly agreed-upon reign of crime."

To guarantee that Gaviria's offer would "ripen" a little, the traffickers abducted a handful of journalists—most of whom were sons and daughters of prominent Colombian oligarchs—as an added incentive. The traffickers, who refer to themselves as "the Extraditables," demanded "political treatment," just like that received by the M-19 only months earlier, as their ransom. In the months that followed, Gaviria obligingly whittled away his own surrender conditions—including the requirement for a full confession and collaboration with the authorities—down to what many consider a bad joke. The latest obscenity has been to offer the guarantee of no extradition to the U.S. and the equivalent of "five-star hotel" jail accommodations—complete with stereos and video recorders—to any traffickers prepared to serve a brief sentence. And why wouldn't they, if they can then emerge as honest citizens and respectable businessmen, *their fortunes intact*?

U.S. sabotage

It is necessary to point out that it was U.S. refusal to materially support Colombia's decade-long war against the cocaine cartels that led to the Colombian government's virtual surrender to Dope, Inc. As Gaviria himself stated during his pre-inauguration visit to Washington, D.C., Colombia has spent over \$1 billion and sacrificed thousands of lives to fight a "unilateral war" against an international enemy. Without resources from abroad, in the form of war matériel and technology, trade concessions, and financial backing, the indebted nation is ill-equipped to wage indefinite war against the cartels without endangering its very existence.

And yet, it is upon Colombia's survival as a sovereign nation that the success of any U.S. war on drugs depends. Colombia has been the logistical center of the cocaine trade since 1980, and provides more than 80% of the cocaine that enters the United States. Although the bulk of the coca leaves which supply the world's cocaine habit come from Peru and Bolivia, they are channeled almost entirely through Colombia, where they are refined into cocaine hydrochloride; the narcotic is then smuggled by various routes into the U.S. and, more recently, to Europe and Asia as well. Colombia has also begun to expand its own leaf cultivation. The entire process—from marketing the coca leaves, to refining the drug, to smuggling and distributing it—is either run by or in collaboration with the Colombian cartels. The Ibero-American cocaine trade now has annual gross sales of well over \$100 billion.

Colombia's three cartels

The cocaine cartels themselves are actually numerous criminal gangs which have coalesced into loose associations under the physical and financial protection of a handful of wealthy "godfathers" like Pablo Escobar and the Ochoa clan from Medellín, or Miguel and Gilberto Rodríguez Orejuela from the southwestern city of Cali. For example, when Escobar began to offer "insurance" against lost or interdicted cocaine shipments, in exchange for a percentage of the profit, many smalltime smugglers began to swell the ranks of the Medellín Cartel. The Rodríguez Orejuela "Cali Cartel" reportedly started as more of a family-centered operation, with tighter controls over its constituent parts and near-exclusive control of the lucrative New York market. However, Cali's attempts to pick up territory from the harried Medellín Cartel in recent years has triggered numerous bloody confrontations, and necessitated increased collaboration with disaffected or abandoned gangs.

Then there is the so-called "Third Cartel," which is the Communist Party's underground Revolutionary Armed Forces of Colombia (FARC). In the last five years, the FARC has expanded its previous role of providing armed protection to the other cartels' laboratories, to conducting its own cultivation, refining and even smuggling operations as a means of financing its terrorist operations. While few guesses have been hazarded as to the quantity of narcotics the Moscow-backed FARC is handling, it is believed to be significant, given the numbers of its forces (estimated between 5,000 and 10,000), a base of its support among, primarily, the peasantry, and its intimacy with Fidel Castro's drug-running regime.

The Cali Cartel has gone relatively unscathed by either U.S. or Colombian anti-drug efforts in recent years—the result of an unholy alliance between the Rodríguez Orejuela network and elements of both the U.S. Justice and State Departments (see Chapter 6). With the Gaviria government's latest concessions to the Medellín Cartel, as well as its repeated overtures to negotiate an amnesty with the FARC, Dope, Inc. has been given an open invitation to a dual-power arrangement in Colombia.

President Barco's war on drugs in 1989



Former President Virgilio Barco

How did Colombia arrive at such a disastrous state of affairs?

Immediately after the August 1989 murder of Luis Carlos Galán, a wavering President Barco was startled into action. In an address to the nation on the night of the murder, he pronounced war on the cartels, and issued a series of state-of-siege decrees permitting extradition of traffickers and expropriation of their properties. Raids were launched across the country, and Colombia was treated to televised spectacles of luxurious mansions—many with their own private zoos, golf courses, fleets of luxury cars and airplanes, and airports—falling into the hands of the military. Special telephone hot lines were set up to receive intelligence on the whereabouts of the fleeing drug traffickers, and the phone lines were immediately inundated—as much by well-wishers as by people with tips to offer. A terrorized nation began to recapture its dignity, as ordinary citizens were inspired to join the war. A poll taken by the daily *El Tiempo* revealed that 92% of the country backed military action against the mafia kingpins.

On Sept. 14, Barco upped the ante, decreeing the appointment of military commanders with wide-ranging powers in regions under siege. He also gave military judges the right to order searches where any drug-related activity was suspected. Based on some of the intelligence seized in the raids, the Colombian government asked the United States and several European countries to begin freezing suspect bank accounts.

Stung in their homes *and* in their pockets, the traffickers struck back with indiscriminate terror. Throughout the country, but especially in the targeted city of Medellín, the traffickers began daily bombings of supermarkets, factories, restaurants, bank branches, offices, and farms. Bomb threats were received at schools and airports. Communications media were under constant threat of attack. Parents began to escort their children to and from school, because school buses were taken out of service to prevent attacks by the drug cartels. Housewives were forced to collect and transport large quantities of water after the Extraditables threatened to poison urban aqueducts.

- The offices of the Conservative and Liberal parties in Medellín were bombed on Aug. 24.
- The farms of several politicians were burned to the ground that same day.
- On Sept. 2, the main office in Bogota of the anti-drug daily *El Espectador* was car-bombed, wounding more than 80 people.
- On Sept. 18, a rocket was launched against the U.S. embassy in Bogota, but it failed to explode.
- Two days later, 10 bombs were simultaneously triggered at 3 a.m. across Bogota, many targeting political offices.
- On Nov. 27, an Avianca Airlines passenger jet was bombed, killing 111 people on board.
- On Dec. 6, the 11-floor headquarters of the Department of Administrative Security (DAS) was destroyed by a bus-bomb in Bogota, killing 67 and injuring 1,000.

A propaganda campaign against Colombia's anti-drug offensive was launched to complement the mob's terror tactics. Many of the international news media—especially the mouthpieces of the major financial centers—began to protest that the Colombian people were "divided" over Barco's actions and "weary" of war. On Aug. 27, the *New York Times* wrote, "Some Colombian as well as American experts on Latin America have raised doubts about the potential effectiveness of an essentially military campaign against drug traffickers." On Oct. 29, the *Washington Post* protested that "the war will never be won" unless U.S. cocaine

consumption were controlled, and claimed that Barco was fast losing support.

The Colombian press began to overflow with calls for "dialogue" with the cartels, while the major U.S. dailies began to interview such "men in the street" as judicial workers union head Antonio Suárez and labor leader Gustavo Osorio, who attacked the military campaign against the drug traffickers as "dirty warfare," and who argued for a negotiated peace with the cartels. Suárez and Osorio were, of course, never identified as leading members of the Colombian Communist Party!

Even more to the point, the European edition of the *Wall Street Journal* worried on its front page Sept. 12: "If drug-money helped the economy boom, what happens if the drug war succeeds?" *El Espectador* had already published a response to such would-be legalizers on Sept. 6, arguing that the drug trade caused "vastly greater" damage to the economy than the "apparent advantages it represents. . . . The cattle growers and farmers who would not hand over their land have sold them, at any price, so as to avoid having undesirable neighbors, or find themselves besieged by one of the sides of the wars of the cartels. The rising cost of living in certain cities is astronomical, precisely because the prices imposed by that [drug] trade are unpayable by anyone living from honest work. At the same time, one could say that one of the disincentives for private investment, above all in the industrial sector and securities, is the threat posed by the spreading tentacles of that abominable activity. . . . The much-discussed underground wealth of the cartel's narco-economy is therefore a deception to justify a lack of solidarity by certain national sectors. . . ."

Despite the propaganda assault by the legalizers, many fought to keep the war alive. The Colombian national police and Armed Forces, despite a severely reduced budget and lack of adequate offensive weaponry, had taken the point in the battle against narco-terrorism, and had the drug lords on the run. The Colombian Communist Party and its fellow travelers launched a virulent campaign of attacks on the military for what they claimed was the Armed Forces' "anti-leftist" crusade under cover of fighting drugs.

But the Colombian population did not cave in, and the government continued to escalate its military offensive, closing the net around the fugitive cartel members. On Dec. 15, cartel chieftain number five, Gonzalo Rodríguez Gacha, was surrounded and killed in a shoot-out with combined police/military forces. Rodríguez Gacha was the coordinator of the cartel's assassination and terror squads, as well as a major trafficker in his own right. His fall inspired the nation: The war could be won!

But the traffickers knew Colombia's Achilles' heel: its own corrupt political elites. In December 1989, mafia commando squads kidnapped 15 people, all relatives of prominent political figures, and cartel boss Pablo Escobar demanded negotiations in exchange for the release of his "prisoners of war."

The 'Notables' negotiate surrender

On Feb. 25, 1990, the Extraditables issued a letter, drafted in coordination with and delivered to the Barco government by a so-called group of "Notables"—headed by former President Alfonso López Michelsen—which called on the government to create either a commission or an "appropriate mechanism" for facilitating the drug cartel's "surrender." The letter, which asked the Notables to serve as the vehicle of such a scenario, also emphasized that not too much importance "should be placed on words such as dialogue, negotiations, pact, when what is at stake is the opportunity to resolve a problem without violence." The letter also said that should the government ignore their offer, a new outbreak of

violence would follow. In other words, the traffickers broadly hinted: Play by our rules or pay the consequences.

In the name of the Notables, López sent a public response to the Extraditables' letter, promising that if the kidnap victims were released, Colombian society would treat the crimes of the traffickers "with benevolence." López used the office telephone of President Barco's private secretary and *éminence grise* German Montoya to organize the rest of the Notables—fellow ex-Presidents Julio César Turbay Ayala and Misael Pastrana Borrero, Cardinal Mario Revollo Bravo, and Communist politician Diego Montaña Cuellar—into backing his statement. German Montoya was the father of one of the kidnap victims.

Interior Minister Carlos Lemos Simmonds responded, "There will be no negotiations because the state cannot negotiate its laws, nor the norms that have been dictated to protect society. If [the Extraditables] are prepared to face justice, let them do so. . . ." Lemos also promised that the government would not enter into a deal with the traffickers "just so they will release people they have audaciously kidnaped to demonstrate their criminal power." But Lemos also warned that the country was "morally devalued," and had created "a stock exchange of ethics, where betting down has become the most lucrative operation."

On March 23, Minister Lemos Simmonds was forced to submit his letter of resignation from the cabinet. In that letter, he issued a powerful indictment of the capitulationists in and around the government: "In certain areas of the government, the attitude toward the drug trade has been changing almost imperceptibly and it is no longer as decisive, intransigent, and firm as it was last December, when it fell to me to do battle against attempts to create a constitutional law that would fully and irreversibly favor the drug traffickers. . . . I fear that with my departure from the ministry, the drug traffickers and those who aid them, speak for them, and protect them, have won the victory that I snatched from their hands three months ago."

On March 28, even as President Barco was denying Lemos Simmonds's charges, Justice Minister Roberto Salazar admitted that the government had in fact authorized two Medellín "businessmen"—one of them Santiago Londoño White, a longstanding López Michelsen associate (he was his 1982 presidential campaign treasurer) and the cartel's favorite architect—to negotiate the release of mafia hostage Alvaro Diego Montoya, the son of Barco's secretary. Barco also chose as Lemos Simmonds's replacement at the Interior Ministry former Attorney General Horacio Serpa Uribe, yet another López Michelsen intimate and the former campaign manager for López's protégé, failed presidential candidate and drug legalization lobbyist Ernesto Samper Pizano.

With the door to negotiations with the cartels now pried open, the Barco government unofficially suspended extraditions and began to rein in the police and military. A deal with the narcos became a foregone conclusion, even if the Colombian citizenry still thought its government was waging a war on the cartels. Lame-duck President Barco began to tread water, waiting for the May presidential elections to relieve him of the presidency, and his humiliation at the hands of the drug cartels.

Legalization: the sequel

Despite the fact that Gaviria was elected with an explicit mandate to carry the war on drugs on to victory, he chose instead to surrender and to pave the way for surrender's sequel, the legalization of the drug trade itself. Key in this regard was Gaviria's commitment to the "free market" economic policies demanded by the Bush administration, which gave the upper hand to the drug runners. In his first trip abroad as President,



President César Gaviria Trujillo

Stuart Lewis

Gaviria told the Mexican government of President Carlos Salinas de Gortari Sept. 16-18, 1990 that Finance Minister Rudolf Hommes had already readied measures to "significantly alleviate restrictions on domestic and foreign private investment, on the flow of capital, on the exchange program, on the labor market, and on the entirety of foreign trade." Gaviria told the Mexican daily *Excelsior* Sept. 17 that countries must learn to "renounce a little of their sovereignty," in the name of a "new reality."

Minister Hommes, in reverent imitation of López Michelsen's 1974 "reforms," deregulated all domestic banking and financial services—an open invitation to the cartels to "repatriate" the billions of drug dollars they hold abroad.

Development Minister Ernesto Samper Pizano, whose frequent visits to the United States over the past decade were usually in his capacity as chief drug legalization lobbyist for the powerful Grancolombiano financial grouping headed by the now-fugitive first cousin of López Michelsen, is today in charge of coordinating Colombia's "opening" to the world economy with the Bush administration's Enterprise for the Americas Initiative. A central, if unadvertised, agenda item in that initiative, is the employment of billions of drug dollars in bolstering a U.S. banking system that is fast sinking under the combined weight of unpayable debt of every sort—corporate, governmental, and Third World—and its own built-in rot.

Narcos target the military

Among the sole remaining bulwarks of resistance to Dope, Inc. are the Colombian military and police forces, and it is therefore no accident that they have been the constant target of the drug legalizers. As soon as President Barco seriously declared war against the traffickers, they orchestrated anti-military diatribes in the international media to try to prevent the launching of an all-out assault. The Colombian population, however, seemed well aware that it was the Armed Forces alone that stood between them and a narco-dictatorship. So the Extraditables stepped up their operations, beginning just prior to the May 1990 presidential elections.

On April 26, 1990, an assassin hired by the Medellín Cartel killed the M-19's presidential candidate, Carlos Pizarro León-Gómez. His successor, Antonio Navarro Wolf, immediately absolved the drug cartels of responsibility for the murder, pointing to the existence of a non-aggression pact with the cartels since 1981. Pizarro's brother made headlines with the charge that "certain state sectors" were to blame for his brother's death. The day after the murder, Alfonso López Michelsen himself surfaced, to blame the "inefficient" military for the deaths of three presidential candidates, and demanded a complete reorganization of the security force. López also demanded that a civilian be named defense minister, a post historically held by the military. This has also been the Communist Party's longstanding demand.

Immediately following López's statement, the Extraditables issued their own plan for reorganizing the security forces. Among other things, they called for removing all leading police chiefs: National Police head Miguel Antonio Gómez Padilla and his deputy chief Carlos Arturo Casadiego Torrado; political police (DAS) chief Miguel Maza Márquez; and the head of the judicial police, Oscar Peláez, who, according to the Extraditables, "prevented the President from establishing peace with our organization."

On the timing of the two statements, *El Espectador's* editors commented on April 30, "Strange, suspicious coincidence."

The argument of López and his narco-partners—that national militaries are the real threat to democracy in Ibero-America because they are corrupt



Narco-terrorist attack on the headquarters of the Department of Administrative Security.

and ruthless—is also the line of the Trilateral Commission-controlled Bush administration. In fact, the annual meeting of that commission had just concluded in Washington, and its report asserted that Ibero-America's security forces required reorganization, and even outright replacement, by a supranational force. As if on cue, the *Los Angeles Times* of April 28 revealed that the Bush administration had decided to block the sale of several Cobra armored helicopters to Colombia, charging that they represented "inappropriate" and "excessive firepower." On May 8, it was reported that the Colombian drug cartels had attempted to purchase 120 anti-aircraft Stinger missiles on the U.S. black market, and were prepared to pay millions in cash for their purchase.

On June 9, the London *Financial Times* identified the other form of blackmail being used to sabotage Colombia's military offensive. Addressing the dilemma facing the new President-elect, the City of London mouthpiece wrote: "Mr. Gaviria is being driven to shift his thinking away from a military solution to the drug problem by the sheer cost of the current conflict and the limited nature of international financial backing." Gaviria, a longtime advocate of monetarist financial policies, understood the implied threat of a credit cutoff only too well.

In early November of 1990, the Colombian Attorney General's office released the conclusions of its five-year investigation of the 1985 homicidal assault on the Justice Palace by the narco-terrorist M-19. The report blamed the Armed Forces—not the M-19—for the loss of life, and charged them with using "excess force" in ending the terrorist siege. Attorney General Alfonso Gómez Méndez, who is married to M-19 propagandist and journalist Patricia Lara, called on the Defense Ministry to dishonorably discharge the general who had led the 1985 counter-assault, Gen. Jesús Armando Arias Cabrales.

The attack on General Arias Cabrales, whose 36 years of service—first as commander of the 13th Army Brigade and later as Army Commander—have earned him widespread respect and intense loyalty both within and outside the Armed Services, stunned many Colombians. Even the notoriously cowardly and corrupt Senate held an impromptu 76-5 vote in favor of granting him a third star, to protest the Attorney General's action.

The call for General Arias Cabrales' dishonorable dismissal was viewed by many as part of a deliberate anti-military campaign, timed to promote the M-19 in the December 1990 elections to the Constituent Assembly. Defense Minister Oscar Botero Restrepo told Congress that the Armed Forces were being turned into a "clay idol," easily shattered. Gen. José Luis Vargas, the Bogota police commander at the time of the Justice Palace siege, charged on Nov. 3 that the demand for Arias's dismissal "is the product of state persecution against those who have risked their lives in the line of duty."

On Nov. 5, the president of the Andean Studies Center, Gerney Ríos González, told the press that Arias was "a victim of official anti-militarism." Former Interior Minister Lemos Simmonds said that same day that values had become so inverted in Colombia that "the hand is held out to those beyond the law, while those who throughout their military career have always acted in defense of the law and the institutions are treated as anti-socials. . . ." Senator Hugo Escobar Sierra charged that the Attorney General's office was conducting a witchhunt designed to "demoralize the Armed Forces."

The public outcry over the Attorney General's recommendation forced at least a temporary retreat in the campaign against General Arias Cabrales, but the legalizers managed to score another success, with the firing

of Police Col. Oscar Eduardo Peláez Carmona, head of the judicial police (DIJIN). Colonel Peláez had been identified by the Extraditables as the enemy of a negotiated deal with the cartel back in April. He was now dispatched to the relatively obscure post of "police attaché" at the Colombian embassy in Washington, D.C.

The traffickers had gotten their principal demands. Only days later, on Nov. 22, "Notable" Alfonso López Michelsen delivered a memorandum to President Gaviria informing him that the cocaine traffickers were now prepared to "surrender."

III. Colombia's decade of resistance: the martyrs

Dope, Inc.'s decision to target Colombia for takeover was made in 1974, when newly elected President Alfonso López Michelsen signaled his readiness to subordinate that constitutional republic to the power of the dope mafias. The contraband networks were already in place. The geographic proximity both to the raw materials sources in Bolivia and Peru, and to the traditional trafficking routes through the Caribbean, made Colombia an ideal refining and smuggling center for the burgeoning cocaine trade. Most importantly, the most corrupt elements of Colombia's political elite had just captured the executive office. The halls of Congress were soon to be penetrated by the country's criminal elements, while the doors to the national banking system were about to be flung open to the "free market" exigencies of a cocaine cartel still in its infancy. The drug legalization lobbies were readying their propaganda machines, in Colombia and in the United States.

What Dope, Inc. did not consider in its calculations, however, was the existence of a strong patriotic current of Colombians prepared to wage war to defend their national sovereignty. During the past 15 years, that battle has taken a deadly toll—on the nation's institutions, on the productive economy, and on its finest citizens. Not only have ministers, judges, journalists, and law enforcement experts fallen, but also thousands of soldiers and police officers, countless brave citizens from every walk of life who have challenged Dope, Inc.'s bid for power, and thereby kept their nation alive.

The National Anti-Drug Coalition

The first serious challenge to the growing power of the cocaine cartels in Colombia came from a small but vocal organization first formed in December 1979, as part of a Hemisphere-wide movement to expose, denounce, and combat Dope, Inc. The National Anti-Drug Coalition turned its sights on the "citizens above suspicion," who aided and abetted the infiltration of mafia corruption into the country's political circles. It denounced political figures like López Michelsen and his heir apparent Ernesto Samper Pizano, who were—and remain—part of a multinational drive to legalize the drug trade on the continent. It published a magazine, *Guerra a las Drogas*, which exposed the rock/drug counterculture upon which the cartels feed, and offered a forum for a culturally optimistic alternative.



Guerra a las Drogas (War on Drugs), the magazine of the National Anti-Drug Coalition.

With the entrance of the Belisario Betancur Cuartas administration in 1982, the drug mafias no longer had a certain ally in the Palacio de Nariño. President Betancur's August 1983 appointment of political dissident and anti-drug crusader Rodrigo Lara Bonilla to the powerful post of justice minister, marked the first time that the cartels had to fear the weight of the law, and exposure of their political alliances. They now began to take adversaries like the NADC seriously, and a campaign of threats and harassment against NADC organizers was launched.

In December 1983, Minister Lara Bonilla responded to an appeal for protection from the NADC:

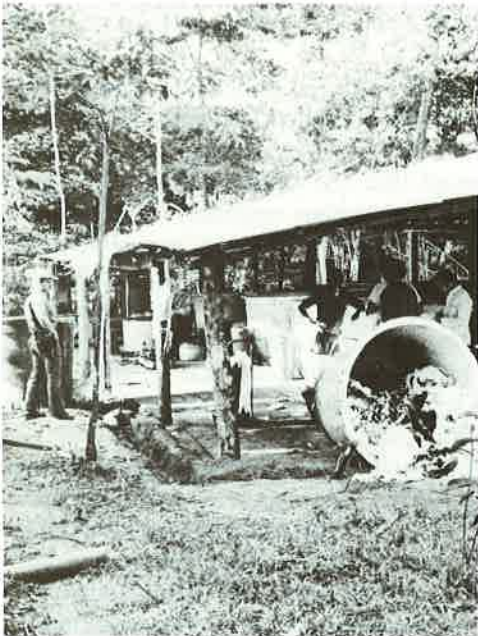
"It is with great concern that I have learned of the threats and attacks that you are being subjected to by unknown individuals, and as a result of the laudable work which you have been carrying out as leaders of the National Anti-Drug Coalition. From the moment at which, as a Senator of the Republic and as Justice Minister, I have upheld a strong position of fighting against the mafias and the drug trade, I have known what it means to feel threatened. And for this reason, I express my full solidarity with you and I offer you my total willingness to cooperate and help. I am contacting the security authorities of the state, asking them to provide you with full protection and support. I ask you to please advise me of any situation that might arise in this regard. Your servant and friend, Rodrigo Lara Bonilla."

That umbrella of protection, however, was to be short-lived. On April 30, 1984, Lara Bonilla was murdered by the cartels, and on July 16, 1984, the editor of *Guerra a las Drogas*, Patricia Paredes de Londoño was kidnaped, and mentally and physically tormented, Patty Hearst-style, by her abductors. Involved in orchestrating the kidnaping and torture were members of the Universal Christian Gnostic Church, a satanic sect which controlled the M-19 narco-terrorists through its chief Jaime Bateman, and whose leadership has been publicly accused of crimes ranging from perjury and embezzlement, to counterfeiting, attempted rape, and drug trafficking.

The Universal Christian Gnostic Church was first legalized in 1974, by then-President Alfonso López Michelsen, who maintained close personal ties with one José Vicente Márquez, a leader of the Gnostic Church in Colombia. Márquez was a member of the Liberal Party faction of Alberto Santofimio Boterò, who is currently on a U.S. State Department blacklist for suspected involvement in the drug trade. Márquez was also the acknowledged protector of Arturo Cortés Cadena, a member of the Gnostic Church who claimed to be Patricia Londoño's "lawyer" and spokesman throughout the abduction. Cortés Cadena claimed that the "abduction" was nothing more than a "marital dispute," a line which reappeared in the López Michelsen-linked daily *El Tiempo*, in U.S. Embassy communiqués to the State Department, and elsewhere.

The National Anti-Drug Coalition and associated organizations around the world launched an international media campaign to focus the spotlight on the forces behind Londoño's kidnaping. A flurry of denials by the Gnostics was followed by Londoño's release on Aug. 1. In a state of complete mental and physical trauma, she was committed to the psychiatric ward of the University of Valle Department Hospital by her family, where she underwent a slow process of recovery. During that recovery, she revealed details of her torture, including that both she and her husband had been threatened with death by her captors.

Tranquilandia: a body blow to the cartels



Raid on the cocaine "city" of Tranquilandia, carried out by Lara Bonilla and Colonel Ramírez.

On March 9, 1984, a combined deployment by the U.S. Drug Enforcement Administration (DEA), the Colombian National Police, and Lara Bonilla's Justice Ministry led to raids on what proved to be the largest cocaine-producing complex yet discovered anywhere. In charge of the operation was National Police Col. Jaime Ramírez Gómez, Lara Bonilla's right-hand man and Colombia's best intelligence officer. Fourteen separate refining laboratories, with accompanying airstrips, known variously as Tranquilandia, Villa Coca, Pascualandia, etc., were discovered deep in the equatorial jungles of Caquetá department, constituting what the DEA dubbed a "cocaine industrial park" of heretofore unimagined dimensions. Seized and destroyed in the raids were nearly 14 metric tons of pure cocaine, and nearly 12,000 drums of ether, acetone, and other chemicals used in the cocaine-refining process. Seven airplanes, earth-moving equipment, boat ramps, innumerable pieces of machinery, modern laboratories, and the facilities for housing hundreds of cartel employees were discovered as well.

Documents found at the laboratory sites implicated the leading chieftains of the Medellín Cartel—Pablo Escobar Gaviria, the Ochoa clan, José Gonzalo Rodríguez Gacha, et al. Also found were facilities which served as the home base for security guards protecting the "cocaine factories." The base turned out to be an encampment of Revolutionary Armed Forces of Colombia (FARC) guerrillas, complete with Marxist-Leninist propaganda, uniforms with FARC insignia, and a substantial assortment of automatic and semi-automatic weapons. In addition, the Army found FARC documents which detailed plans for guerrilla taxation of the traffickers' operations, as a means of financing their insurgency.

For the first time, U.S. and Colombian law enforcement officials were confronted with hard evidence suggesting the real dimensions of the cocaine trade. If 14 tons of pure cocaine could be seized in a single raid, all previous calculations of 20-30 tons of cocaine entering the United States *annually* were suddenly knocked into a cocked hat. Further, solid proof of collaboration between the traffickers and communist guerrilla forces was now in hand.

Not only did cartel members suffer a major financial blow with the Tranquilandia raids, but they also discovered suddenly and dramatically how vulnerable they were in the face of military might backed by political will. They determined that never again would they permit that combination to exist in Colombia. One month later, with the mafia-financed assassination of Rodrigo Lara Bonilla on April 30, 1984, the cocaine cartel would take its revenge for Tranquilandia, and deliver its warning.

Lara Bonilla's war against the mob

Rodrigo Lara Bonilla, 1944-84, was born in Huila, Colombia. A lawyer and former university professor, he was mayor of his hometown of Neiva, a senator, and an ambassador, before his appointment to the post of justice minister under President Belisario Betancur in August 1983. He was a founding member, together with Liberal Party leader Luis Carlos Galán Sarmiento, of the New Liberalism faction within the traditional Liberal Party. New Liberalism, considered the "reform" wing of the Liberal Party, was founded in explicit opposition to the López Michelsen-dominated faction inside the party. Lara Bonilla was the sole representative of New Liberalism inside Betancur's Conservative Party government.

During his short nine months in office, Lara Bonilla had not only publicly identified the key figures running the cocaine cartel in Colombia, but had begun to penetrate the elaborate political and business fronts the cartel czars used to conduct their business. His tracking of the flow of



The late Justice Minister Rodrigo Lara Bonilla

"hot money" into political coffers was countered early on by mafia-inspired charges that Lara was "on the take." An illegible check and an incomprehensible tape-recording were produced before Congress as "evidence" (see Chapter 4). Transparent as the charges were, an investigation into the newly appointed justice minister was demanded by cartel boss Pablo Escobar, and a judge to conduct the investigation actually appointed. The scandal against Lara was intended to achieve the derailment of his anti-drug initiatives. It did slow him down for a time, but Lara refused to stay on the defensive.

Working in close collaboration with National Police Col. Jaime Ramírez, an intimate friend as well as committed anti-drug fighter in his own right, Lara began to build up the intelligence dossiers he needed to counterattack the mob. He warned that the drug traffickers had built up "virtual private armies" within Colombian territory. The National Narcotics Council, under Lara's ministerial jurisdiction, was reorganized and strengthened, including centralization within its offices of all purchases of chemicals that could be used in cocaine processing. At the same time, the Civil Aeronautics Agency, on Lara's orders, grounded over 100 private airplanes belonging to prominent drug traffickers, and would ultimately revoke the licenses of some 200 more. The agency also began the first systematic mapping of clandestine airstrips nationally.

Lara also devoted much of his effort to forging an Andean-wide pact against drugs, and was seeking bilateral and multilateral anti-drug agreements with Brazil, Argentina, Mexico, and the Central American countries as well. He lobbied for a reversal of President Betancur's anti-extradition stance, and succeeded in convincing the Betancur government to approve the experimental use of herbicides against Colombia's vast drug crops.

Another collaborator in his efforts was U.S. Ambassador Lewis Tambs, who had been in Colombia since April 1983, and had acquired a reputation as a tough anti-drug crusader. He also had a reputation for stepping on toes, and made Colombians and Americans alike uncomfortable by coining the phrase "narco-guerrilla" to describe the political and financial interdependence of Moscow-sponsored subversion with the drug trade.

Acutely aware of Lara Bonilla's critical—and vulnerable—role as point-man against the cocaine cartels, Tambs placed what resources he could muster at the justice minister's disposal, while repeatedly praising his efforts to the media. He also gave Lara a bullet-proof vest, and a warning to watch his back.

In September of 1983, just one short month after taking office, Lara told the daily *El Espectador* that he and his family were receiving daily threats from the traffickers, but that "I will not yield in my fight against the drug industry. What would happen if the justice minister died of fright from every threat against him? There are risks one must assume in life. . . ."

In October 1983, Lara publicly charged that the drug mafia had "infiltrated" professional soccer in Colombia, and revealed the names of 6 out of 14 professional teams in the country which were in the hands of the drug mob. He went on to charge mafia penetration of other sports, such as horse racing and bull fighting. A congressional investigation was launched based on his charges.

Despite the fact that Lara Bonilla continued to be the butt of denunciations by pro-drug elements in and around the government, he never lost his sense of humor—or purpose. Once accused by Bernardo Gaitán Mahecha—his effeminate predecessor at the Justice Ministry who advocated marijuana legalization—of neglecting other duties in the fight

against drugs, Lara responded, "In fighting the drug trade, it is less a question of time and more a question of testicular fortitude."

By December 1983, Lara was battling Congress for the legal jurisdiction to confiscate private property and capital assets of drug traffickers; he also denounced those judges who through either cowardice or corruption were releasing drug traffickers from jail. He authorized the National Drug Council to begin feasibility studies on the use of glyphosate as an anti-marijuana herbicide, ultimately winning approval for its experimental use despite the violent opposition of the Health Ministry and leading political forces.

In January 1984, an assassination plot against him—using interception of his home and office telephone lines—was discovered. One month later, former deputy minister of justice and anti-drug lawyer González Vidales was murdered by the mob. Lara received telephone threats that he "would be next."

Lara Bonilla had not only done major damage to the cartel's business, but had forced into the public eye enough dirt about cartel boss Escobar to drive the mafioso out of Congress. Lara and Ramírez's persecution of cartel transport czar Carlos Lehder had resulted in the issuance of an arrest warrant based on a U.S. petition for his extradition, forcing Lehder into clandestinity. Some 30 politicians were under investigation for taking money from the mob. Lara Bonilla had waged an extraordinary, one-man war against the mob.

And then came the March 1984 raid on Tranquilandia, a very costly blow to the Medellín Cartel's infrastructure. The cartel's war against Lara was declared. In an "open letter" to Ambassador Tambs, cartel chieftain Escobar accused Lara of being "a representative of your government inside the Colombian cabinet." At the same time, the judge assigned to investigate drug-trafficking charges against Evaristo Porras, an Escobar underling and the trafficker who had purportedly bribed Lara Bonilla, released Porras from jail. He then issued a summons to the justice minister for alleged corruption. The daily *El Tiempo*, a mouthpiece for pro-drug networks inside the Liberal Party, urged Lara Bonilla to resign.

But Lara Bonilla refused to give up. In April, as one of his last acts in office, he called for a "world pact" against drugs and global extradition procedures against drug traffickers. Lara understood that the extradition issue was critical, as the Colombian justice system—bought or terrified into acquiescence—had become a revolving door to the traffickers. No court could try them, no judge could sentence them, and no jail could hold them. Unless and until the Colombian justice system was rebuilt—which Lara also fought for strenuously—only extradition to the U.S. held any chance of seriously dismantling the Colombian drug mob.

On the day of his assassination, Lara Bonilla told a reporter that he had received urgent warnings of a new assassination plot against him. The Betancur government made arrangements for him and his family to leave Colombia, taking an ambassadorial post in Czechoslovakia. Tambs told Lara that a U.S. safehouse would be made available until the diplomatic appointment was confirmed.

At 7 p.m., on April 30, 1984, Lara Bonilla was machine-gunned by a pair of motorcycle killers hired by the Medellín Cartel. Upon learning of the justice minister's death, President Betancur addressed the nation at 2:30 a.m.:

"To recover the national dignity stolen from us by the drug trade, which presents us to the world with a blackened image and perverts our youth, is the great task before us: to denounce [the traffickers] daily, to put them on notice that they cannot continue to undermine our society,

tell them in one great national chorus: Enough! . . . Our state shall never allow the destruction of society. And we proceed guided by respect for human rights; the community and the state which represents it may offer protection without engaging in excesses. But above all we shall wage war against the drug traffickers. In sum, we shall initiate a great national mobilization. No Colombian man, woman, child, youth or adult, rich or poor, must be silent through interest or fear. . . . Let us all be worthy of the memory of Rodrigo Lara Bonilla."

President Betancur then proceeded to sign the extradition order against Carlos Lehder Rivas, which had sat on Lara Bonilla's desk so many months. And on May 8, he assigned the post of justice minister to anti-drug hardliner Enrique Parejo González, Lara Bonilla's friend and colleague in the New Liberalism movement.

Parejo took up his weighty responsibilities with a pledge to "continue the extraordinary work of Rodrigo Lara Bonilla. I sincerely believe that one must continue with the same courage, the same valor, in the war against drugs. He left us an example, a lesson. This is a battle that requires the support of the entire Colombian nation." Asked if he feared the same fate as his predecessor, Parejo González answered: "Above any fear that I might feel is my elevated sense of duty, the necessity to pay homage to Rodrigo Lara with the same courage that he himself demonstrated."

In close collaboration with Jaime Ramírez, Parejo deployed military force to smash dozens of cocaine refineries in the Colombian jungle. In the first half of 1984 alone, 1,500 metric tons of marijuana, 26 metric tons of cocaine and cocaine base, and 37 metric tons of *bazuko* (a smokeable, highly addictive coca paste derivative) were seized. Scores of clandestine airstrips were bombed, and more than 100 narco-planes grounded. Despite the howls of the environmentalists, Parejo also won final approval for the herbicide spraying of Colombia's marijuana crops, and that illegal business collapsed in short order.

Extradition requests from the United States and elsewhere began to pour in when Betancur's apparent change of heart on the issue was perceived. Arrest warrants were issued, and numerous wanted criminals captured. In January 1985, the first two Extraditables, Medellín soccer team owner and money launderer Hernán Botero Moreno, and mid-level trafficker Marcos Cadavid, were sent to the U.S. for trial and ultimately sentenced to 30 and 15 years, respectively. More extraditions were imminent. This, to the cartel, was unforgiveable.

The Justice Palace siege

On Nov. 6, 1985, a commando squad of 35 M-19 guerrillas, disguised as police officers, drove through the vehicle entrance of Colombia's five-story Justice Palace in a hail of machine-gun fire. They seized Supreme Court justices and dozens of related personnel as hostages. The guerrillas began to burn all the legal archives they could get their hands on, and set off several bombs to make certain the destruction was complete. Fires raged uncontrollably through major portions of the building. Among the first records targeted for destruction were all judicial proceedings—past, present, and future—of cases related to drug traffickers under consideration for extradition.

As the event unfolded, it became clear to all observers that, while guerrillas were carrying out the raid, it was the mafia that was directing the action. Just six weeks earlier, every member of the Supreme Court had received a warning that he (or she), together with his entire family, would be liquidated, should the court continue to consider extradition requests and refuse to find the U.S.-Colombia extradition treaty unconstitutional. It was subsequently learned that just before the Justice Palace

***"Let's get one thing straight.
The guerrillas did not enter
the Justice Palace to talk.
They came to kill."—Enrique
Parejo González***

siege, there had been a meeting between the cartel mafia and the M-19 terrorists in Colón, Panama, to work out the details. One official document later cited reported that the M-19 had a contact inside the palace, who led them to the archives concerning extradition, which they proceeded to destroy. Also, the building's kitchen had been stocked with 1,500 chickens, suggesting that someone on the inside had anticipated and prepared for a lengthy siege. It was also reported that the M-19 had been paid up to \$5 million for the Justice Palace action.

The question had come to a head one week before the siege, when the Supreme Court initially ruled against the extradition to the United States of Honduran drug trafficker José Ramón Matta Ballesteros, a top figure in the Ibero-American drug trade believed to have been involved in the kidnap/murder of DEA agent Enrique Camarena in Mexico in February 1985. Along with the Supreme Court's decision, a legally mandated five-day period was established for further evidence to be presented that might justify a reversal of their ruling. The M-19 assault on the Justice Palace occurred during that five-day waiting period.

The narco-terrorist siege concluded Nov. 7, with a combined army/police assault on what had been turned into an M-19 bunker. Five hundred troops and police knocked out three machine-gun nests manned by terrorists, as they fought their way floor by floor, liberating people trapped in the building amidst exchanges of gunfire. The M-19 leadership began to shoot the hostage-judges through the head, one by one. In the final shootout with troops, the surviving terrorists were either killed or committed suicide. By 4:20 p.m., the Army took full possession of the Justice Palace, which was by then 80% gutted by fire. One hundred people, including hostages and terrorists, were dead. Nearly half the Colombian Supreme Court had been murdered.

President Betancur had firmly refused to negotiate with the terrorists, and offered them physical protection only if they released their hostages and surrendered. Labor Minister Jorge Carrillo, speaking for President Betancur following an emergency 13-hour cabinet meeting, declared that he held "not the slightest doubt" that the M-19 was working for the drug mafia.

This was not the first time that the M-19 guerrillas had been linked to the mob, nor was it to be the last. Back in 1981, they were caught in a drugs-for-weapons smuggling operation that stretched from Florida to Cuba to Panama. In 1984, just after the raid on the cartel's Tranquilandia, a 100-man squad of M-19 guerrillas occupied and wreaked havoc with the city of Florencia, capital of Caquetá department where Tranquilandia was located. The M-19 action was universally viewed as retaliation for the police raid on the cocaine "city."

In the immediate aftermath of the Justice Palace siege, a flood of commentaries appeared in the international press portraying the narco-terrorists as "idealists," "rebels with a cause" who only sought a "dialogue" with the government about human rights violations. Betancur, in contrast, was condemned for "inflexibility," "butchery," "violation of international law," and "capitulation to the reactionary Armed Forces."

Colombian Foreign Minister Augusto Ramírez Ocampo responded in a Nov. 13 interview to *Le Monde*: "The assault took place on the same day that the constitutional judges of the Supreme Court began their study of the charge of unconstitutionality against the treaty with the United States which permits extradition of drug traffickers. The judges had received death threats in the event they reaffirmed the validity of the treaty. . . . During their occupation of the judicial court, the heavily armed assailants identified by name each and every one of the judges charged



Gen. Jesús Armando Arias Cabrales

El Espectador

with studying the treaty. Furthermore, among the demands made by the terrorists was cancellation of the [extradition] treaty. . . . The rebels burned the archives and the library where all the documents related to drug traffickers' extraditions were kept. Their conditions were non-negotiable, one of them being a public trial of the head of state to be carried out by the assailants themselves. . . . President Betancur answered by offering the only thing the Constitution permitted him to do: safeguard the lives of the assailants and promise them a fair trial."

Less constrained was Justice Minister Parejo González. In an open confrontation with the international press corps in Bogota Nov. 10, Parejo accused his interrogators of "sounding like the attorneys for the drug runners," after they charged the government with letting the Army run amuck, and with fabricating M-19 links to the drug mafia to cover up alleged incompetence in handling the siege. "Let's get one thing straight," declared the furious justice minister, "the guerrillas did not enter the Justice Palace to talk. They came to kill. . . . They sought out as the immediate target of their action . . . the same judges whose lives had been threatened previously for having given favorable opinions on the extraditions. . . . The guerrillas murdered the judges in cold blood—in cold blood. And this doesn't seem to bother you, eh? You are not grieved and disturbed by these crimes?"

In charge of the Army's assault on the occupied Justice Palace was Gen. Jesús Armando Arias Cabrales, whose 30 years of service had earned him respect both within and outside the Armed Services. In November 1990, the office of Colombian Attorney General Alfonso Gómez Méndez—husband of M-19 propagandist Patricia Lara and a prominent advocate of the international "human rights" lobby—issued the conclusions of its five-year investigation into the Justice Palace holocaust. Its recommendation? A dishonorable discharge for outgoing Army Commander General Arias Cabrales, for use of "excessive force" in ending the terrorist siege. Betancur, whose order as commander-in-chief of the Army had been loyally carried out by the general, had earlier been absolved of culpability in the incident.

So outrageous was Gómez Méndez's demand that even the notoriously corrupt Colombian Senate held an impromptu 76-5 vote in favor of granting the outgoing general a third star, to protest the Attorney General's recommendation. An outpouring of support for the general forced the Attorney General office to retreat—at least, for the moment.

Targeting the money launderers

A special inter-American conference on drugs, sponsored by the Organization of American States (OAS), was convened in Rio de Janeiro, Brazil from April 22-26, 1986, at which the question of laundering of drug money was at the top of the agenda. The Colombian delegation was headed by Justice Minister Parejo González, who came with a five-point proposal which not only urged confiscation of drug traffickers' assets, but also the long-overdue reform of banking laws ("transparency") and, most importantly, proposed the creation of a regional financing mechanism to fight drugs, based on mandatory contributions from all member nations, in amounts determined as a fixed percentage of assets seized in drug raids. Given the relative impoverishment of the majority of Ibero-American countries, the regional fund proposal—with U.S. participation, of course—was intended to serve as the linchpin for an effective anti-drug action program.

Parejo motivated the proposal with a powerful argument: "Legal means are needed to hit the business in its profits, because the profits are the backbone of the narcotics trade. It is necessary to take immediate steps

to end banking secrecy, to thus be able to trace the big capital; that touches the most important nerve of narcotics traffic. . . . We have insisted time and again that any agency that is set up must start by confiscating those enormous profits."

With sentiments running high in favor of the Colombian proposal, delegates to the meeting were stunned when the U.S. representative, then-Deputy Attorney General Lowell Jensen, opposed the regional fund proposal and succeeded in squashing it; it never even made it to the floor of the Assembly.

The Betancur years: a sober assessment



Former President Belisario Betancur

One month later, on May 25, 1986, Colombians elected Liberal Party presidential candidate Virgilio Barco Vargas by a broad margin. In a June 1 interview published in the Bogota daily *El Espectador*, outgoing Justice Minister Parejo González summed up the anti-drug achievements of his ministry and law enforcement colleagues, and passed the torch first lit by Rodrigo Lara Bonilla on to his own successor. Parejo insisted that the fight against the drug trade was "a fight in defense of the fundamental values of Western civilization," and insisted that it must be carried forward to victory. He noted that the most significant achievement of the previous four years was that the godfathers of the drug trade were forced underground, no longer free to strut their financial and political power on the streets of Colombia's cities.

However, Parejo lamented that the Betancur government's achievements in the war on drugs might have been so much the greater "had all authorities collaborated with the same interest in the fight." The justice minister's constant public battles with the mafia-linked Attorney General Carlos Jiménez Gómez were well known, for Jiménez had devoted all of his energies to sabotaging Lara's anti-drug initiatives, especially his fight to implement the U.S.-Colombia extradition treaty, which was the nemesis of the drug cartels. Jiménez's treason continued long after Lara Bonilla's assassination, as we document elsewhere.

But Parejo was also indicting President Betancur himself for the foot-dragging that characterized much of his administration. Although Betancur responded appropriately to the mafia murder of his justice minister by announcing his decision to extradite drug traffickers sought abroad, the measure was long overdue. Further, of the many drug traffickers that might have been picked up and shipped out of the country to waiting U.S. courts, only a relative handful was finally extradited under his government.

Perhaps Betancur's worst failing was to give the narco-terrorists a "foot in the door" to the amnesty scenario currently being pursued by the cartels. Convinced that the "idealistic" and "non-violent" elements of the country's several guerrilla movements could be lured into abandoning terrorism with a broad-ranging amnesty, Betancur launched his so-called "peace process," which has today led to the spawning of the M-19's dual-power mechanism, the Constituent Assembly.

New targets for political assassination

Shortly after Barco's election in 1986, the cartel began a wave of political assassinations designed to convince the incoming administration that extradition of drug traffickers was not in its interest. Under constant threat of death, Parejo González and his family were sent out of the country, to take up an ambassadorial post in Budapest, Hungary. On Jan. 11, 1987, a mafia hitman walked up to the former justice minister in Budapest, and shot him five times in the face. One bullet went through the roof of his mouth and came out behind the ear, just missing his

brain. Parejo miraculously survived the shooting, with the help of two operations.

Callers claiming to represent the Hernán Botero Commando (after the first trafficker extradited to the United States during Parejo's ministry) took responsibility for the attack. In a message read to the UPI news service, they stated: "We who were extradited take responsibility for the attempt on the life of the traitor and extraditer, which took place in Budapest. This attempt was made after he was tried and convicted for the crime of treason to the fatherland, of having handed over our citizens to North American imperialism."

Less than three weeks after the murder attempt against him, Parejo left his hospital bed to travel to Vienna, where he was unanimously chosen to chair the 32nd meeting of the United Nations Commission on Narcotic Drugs. Speaking Feb. 2, 1987 to a cheering assembly, Parejo declared, "As long as I live I will continue to battle the drug trade, because it is the worst scourge facing the world today." He went on to target the most important link in Dope, Inc.'s chain: "The consumer nations, through financial and banking institutions—as President Barco said it so well—are the refuge of the drug multinationals. . . . Each country should have a specialized anti-narcotics police force that can impose more severe penalties—not only against the drug traffickers, but against the financial institutions which lend themselves to crime and which until now have gone unpunished. The states must establish mechanisms for punishing the drug trade. . . . Controlling . . . the economic power of those who produce, consume, and distribute drugs requires imposition of severe penalties, economic penalties. . . ."

Later reassigned as ambassador to Czechoslovakia, Parejo has continued to take a tough anti-drug stance at home and abroad.

In the wave of mafia assassinations that followed President Barco's election, more courageous members of the anti-drug resistance movement fell. On July 31, 1986, Supreme Court Justice Hernando Baquero Borda, last of the pro-extradition hardliners who had been involved in revising the Colombia-U.S. extradition treaty of 1979, was assassinated by motorcycle killers. A bodyguard and a bystander were also killed, and Baquero's wife, driver, police escort, and a second bystander were wounded. Another Supreme Court magistrate, Luis Enrique Aldana Rozo, suffered a non-fatal heart attack after receiving a personalized coffin, delivered by the drug mafia to his home. Flown to Houston, Texas for surgery on Oct. 17, 1986, Justice Aldana Rozo died of "complications" when his oxygen line was mysteriously cut.

On Sept. 1, the security chief at Avianca airlines, Carlos Arturo Luna Rojas, was shot dead by two mafia assassins on a motorcycle. Luna Rojas had been trained by the U.S. DEA, along with other security chiefs of Colombia's major private firms, and just one week earlier had collaborated with several national police forces to bust a major cocaine-smuggling operation being run through Avianca. Also murdered in September was Raúl Echavarría Barrientos, managing editor of *El Occidente* in the city of Cali, and a high-profile advocate of both extradition and the death penalty for drug traffickers. Scores of others, some of them prominent figures and others ordinary citizens, lost their lives to the mob's blood-thirsty vendettas and blackmail schemes.

One of the worst blows to the resistance, however, was the Nov. 17, 1986 assassination of Col. Jaime Ramírez Gómez, in front of his wife and children. Ramírez was the man who, along with his close friend Rodrigo Lara Bonilla, had done more to put the cartel on the run than any other man. The mafia killed Ramírez not only in revenge against the man who

had personally conducted the biggest cocaine raid in world history, at Tranquilandia, but also to eliminate Colombia's—and arguably Ibero-America's—best cop.

Ramírez was a key liaison with the U.S. Drug Enforcement Administration, and was respected continentally as much for the excellence of his intelligence and investigatory methods, as for his courage and honesty. He had been scheduled to testify on Nov. 18, 1986, the day after his murder, at an investigatory tribunal on evidence he had personally amassed on cocaine kingpin Pablo Escobar's role in the assassination of Lara Bonilla. The timing of Ramírez's own murder was far from coincidental.

Ramírez and Lara Bonilla had made an extraordinary team. The two had drafted and executed a master plan to extirpate the drug scourge and to rescue public morality. Their approach was not merely to reduce the activities of the drug mafia, but to totally eradicate that mafia. And, to do that, they took on the task of destroying the mafia's logistical infrastructure. This meant using the power of the state to finish off marijuana and coca plantations by the best means possible: herbicide eradication. It was necessary simultaneously to dismantle the laboratories for refining cocaine, and the communications and transport network of the mob. Tranquilandia was to have been just the beginning.

Lara Bonilla and Ramírez had also worked together on a justice reform proposal designed to arm the state with the legal tools required to overthrow the drug traffickers. Sentences had to be increased, penal codes stripped of legal loopholes through which the criminals could escape the reach of justice, and international accords such as the extradition treaty with the United States, had to be enforced.

Ramírez was to have been promoted to brigadier general in December 1986, after completing the requisite study program. And yet, when his widow Helena petitioned the government to grant him a posthumous promotion, the Defense Ministry incredibly denied the request, claiming that he had not been killed in combat. Ramírez's promotion, especially in light of the ongoing war against the cartels which is his and Lara Bonilla's legacy, is long overdue.

Ramírez knew that the extradition issue was critical to the success or failure of the war on drugs. In an interview with reporters in November 1986, published posthumously by *El Espectador* on Nov. 19, Ramírez repeated: "In this matter of extradition, no one should be fooled into believing that we are dealing with anything less than the key factor in the fight against drugs. . . . The day that [the treaty] is annulled, they will have won the war."

Assault on the anti-drug press

During the 1980s, the drug cartels set about creating a political infrastructure inside Colombia that would give them a stranglehold on policymaking in the years to come. Entire stables of bought-and-paid-for lawyers and judges were complemented by mayors, governors, and scores of congressmen, on both the regional and federal levels. It is no accident that Lara Bonilla's campaign against "hot money" flows into political coffers was the opening shot of his ministry's declaration of war on drugs. His offensive was given a mouthpiece in the Bogotá daily *El Espectador*, the country's second largest newspaper after the López Michelsen-influenced *El Tiempo*. The distinguished publisher and editor-in-chief of *El Espectador* was Guillermo Cano Isaza, a white-haired patrician with a fierce dedication to restoring his country's dignity.

El Espectador's commitment to purging corruption from Colombian society first became evident in its 1983 campaign against López Mi-

"The day that [the extradition treaty] is annulled, they will have won the war."—Col. Jaime Ramírez Gómez



Guillermo Cano

chelsen's cousin, drug banker Jaime Michelsen Uribe. Through the efforts of a top-notch investigative team, *El Espectador* published an ongoing series of exposés of Michelsen's Grupo Grancolombiano financial empire and its myriad illegal dealings.

Those exposés, which led to furious counterattacks against the newspaper by Michelsen Uribe's intermediaries in the banking and business worlds, brought about that empire's downfall on Dec. 31, 1983, when Michelsen was called before President Betancur and given the choice of resignation or nationalization. Faced with imminent criminal charges, Michelsen chose resignation, and a quick flight to Miami. His flagship Banco de Colombia was raided on Jan. 7, 1984, and several executives jailed. Michelsen Uribe remains a fugitive from justice.

El Espectador claimed at the time that it was only through the intervention of Michelsen creation Ernesto Samper Pizano back in 1981 that an investigation of the Grancolombiano empire by Betancur predecessor President Julio César Turbay Ayala had been forestalled.

In the second half of 1986, following Barco's inauguration, the cartel escalated its blackmail and terror campaign, in hopes of overturning the U.S.-Colombia extradition treaty and winning an amnesty from the government. Increased calls for legalization of drugs began to circulate. On Aug. 27, López Michelsen's relative Antonio Caballero wrote that the only means of protecting judges from threats or corruption by the drug mob was to legalize drugs. Oligarch Eduardo Lemaitre wrote in *El Tiempo* Sept. 1 that no one should be denied the freedom to consume drugs, and cited Milton Friedman's *The Tyranny of the Status Quo* to justify his call for legalization. In October, former Interior Minister Rodrigo Escobar Navia echoed these urgings in calling for drug legalization as an "audacious formula" for solving the trafficking problem.

Then, on Dec. 1, the nation was subjected to a television address by Justice Samuel Buitrago Hurtado, president of a high-level oversight board known as the Council of State. Buitrago called for the legalization of the cocaine and marijuana trade. "We have been playing the role of useful fools, because we are conducting a campaign [against drugs] with a high social cost, and what have we Colombians received in return? The threats are against very important Colombians, above all against those who administer justice."

Buitrago went on to denounce extradition of Colombian traffickers as "unconstitutional," "repulsive," and "unpatriotic," and insisted that legalization of drugs by the Colombian state would reduce mafia profits, and ultimately the mafia itself, while giving the government a huge tax boost with revenues from the drug trade. Buitrago identified his fellow thinkers in his address: "I once heard Dr. Ernesto Samper Pizano and believe me, I share his criteria . . . based on the ideas of Mr. [Milton] Friedman in the United States."

Outraged by Buitrago's cowardly capitulation, Cano dashed off a column in which he cried: "Legalize drug trafficking? That would be like legalizing and justifying all the collateral activities: money laundering, the assassination of Supreme Court justices, of cabinet ministers, of judges, and of so many other persons who by doing their duty have fallen victim to the narcotics traffickers and their hired killers." He went on to warn that "Colombia is lowering its guard against organized crime. Each day we are more shocked to learn that bills are being presented to Congress which favor the drug traffickers. That the miracle prescription is legalizing the drug trade. That the panacea is Church dialogue with the chiefs of the drug trade. We are on the verge of coexisting with organized crime, with accepting it. . . ."

El Espectador



A silent march in support of slain publisher Guillermo Cano, in Bogotá, Dec. 15, 1986.

On Dec. 17, 1986, Cano was shot through the head by a motorcycle assassin wielding the mafia's favorite weapon, the MAC-10 machine pistol.

The murder of Cano, a member of the nation's heretofore untouchable elites, shook the Barco government into action for the first time. In the course of the next three weeks, the military conducted nearly 1,500 anti-drug raids from one Colombian coast to the other, detaining more than 500 suspects and seizing vast arsenals of illegal weapons. A tight monopoly on imports and exports of any chemicals which might be used in the cocaine-refining process was imposed; strict vigilance over licensing of airlines, airports, airstrips and aircraft, as well as of pharmaceutical and chemical companies, was enforced; 2,700 Colombian companies, both industrial and commercial, were placed under direct surveillance to prevent the drug mafias from gaining access to products used by their cocaine laboratories. Numerous important drug traffickers, including the elusive Evaristo Porras Ardila—one of the cartel's reputed top five chieftains—were captured.

El Espectador, now run by Cano's sons, wrote a Dec. 23, 1986 editorial challenging the Barco government to now go after the political and financial elites who run the dope trade. *El Espectador* urged adoption of the methodology outlined in the bestseller *Dope, Inc., the New Opium War*, published by EIR:

"One must also fully look into existing correlations between narcotics traffic and politics [and] to what degree they are intertwined . . . the economic relationships which have been established during electoral periods and beyond. . . . The names are on everyone's lips; the connivance can be determined even in the past. . . . It is absolutely essential to work from the standpoint of certain foreigners who presumably have objective knowledge of the case, who point to possible connivance between narcotics traffic and international agencies of political subversion which . . . was already noticeable in the epoch of the so-called Opium War. . . ."

El Espectador has continued to be Colombia's voice of conscience in the ongoing war with the cartels, and the mafia's bitterest enemy. On Sept. 2, 1989, the central Bogotá offices of *El Espectador* were severely damaged by a car-bomb that wounded nearly 80 people. The newspaper continued to publish. In October, two of *El Espectador*'s employees in mafia-riddled Medellín were slain, and 11 others threatened in that city. It continued to publish. When numerous other publications, including the Conservative dailies *El Colombiano* and *La Prensa*, began to editorialize in favor of dialogue with the drug mafias, *El Espectador* blasted "certain communications media [which] fancy themselves the official agents of the most degraded circles of organized crime. . . . They are putting undue pressure on public opinion, in contradiction to the national interest. . . . This . . . constitutes a genuine act of treason."

Extradition battle revived

On Jan. 18, 1988, heavily armed thugs broke into the campaign headquarters of Bogotá mayoral candidate Andrés Pastrana and kidnaped him. In phone calls to his father, former President Misael Pastrana, they demanded an end to extradition, while promising "total war" against "traitors and sell-outs" who agree with extradition. They demanded that Pastrana's television news station give coverage to "citizens who are not in agreement with the surrender of Colombians to North American imperialism."

Pastrana was rescued in a police dragnet on Jan. 25, but not so Colombian Attorney General Carlos Mauro Hoyos Jiménez, who was kidnaped

the same day that Pastrana was freed. Hours later, a phone call from "the Extraditables" announced to the Todelar radio station, "We have executed the Attorney General for the crime of treason to the fatherland." The exact location of his body, near the ranch of cartel chieftain Gonzalo Rodríguez Gacha where Pastrana had been held, was given. "The war goes on," threatened the caller. Hoyos's "treason" had been his advocacy of a revived U.S.-Colombia extradition treaty.

The bloodied corpse of the Attorney General was found bound hand and foot, blindfolded, the spine smashed by a bullet, and shot 11 times through the head. Hoyos had been working feverishly with U.S. authorities to put together an extradition order for the Medellín Cartel boss Jorge Luis Ochoa, captured just one month earlier. After Ochoa bribed his way out of jail on Dec. 31, Hoyos had insisted that the weapon of extradition must be employed. "The country is seized by fear, and we cannot allow justice to be besieged by the power of money," he warned just two weeks before he was assassinated.

Hoyos had also been conducting an investigation into possible cartel agents within his own office, according to *El Espectador*. The results of his investigation went to the grave with him, but the man appointed interim Attorney General, Alfredo Gutiérrez Márquez, wasted no time in calling for legalization of the drug trade and dialogue with the cocaine cartels, only days after his predecessor was buried. On March 28, 1988, Gutiérrez Márquez was abruptly forced to resign, after the military revealed that the landing strip to which one of Pablo Escobar's computerized smuggling planes was tracked, and ultimately destroyed, was owned by Libardo Gutiérrez Márquez, the Attorney General's brother.

One year before his murder, on Jan. 13, 1987, Hoyos had told *El Espectador* that it was necessary for the government to target the financial infrastructure of the cartel, if it was ever to be overthrown: "With police measures alone, one cannot conduct a war against the drug trade. . . . It is time that the government begin to consider economic measures for detecting [the traffickers'] funds . . . to analyze and investigate those kinds of funds which were made from one day to the next . . . to see what the origin of those funds is. . . . When people see that the state has determined to take on [the drug trade] in all its implications, the country can begin to breathe more easily, since the proper solution will have been chosen."

With the elimination of Hoyos from President Barco's government, the drug cartels hoped to free themselves at last from the "Resistance." The May 29, 1989 kidnapping of Conservative Party leader Alvaro Gómez Hurtado by the mafia-financed M-19 terrorists was a strategically calculated action, designed to force the government into negotiations with its enemies. The conditions for Gómez Hurtado's release were the dismantling of the military as a counterinsurgent and anti-drug force, and the initiation of a "dialogue" between the M-19 and the Barco government. Gómez was subsequently released unharmed, and negotiations with the M-19 got under way.

The concept of total war against an implacable enemy was being slowly eroded, and—with the exception of a steadfast *El Espectador*—was being replaced in the public eye with talk of "dialogue" and "legalization."

Increasingly, the focus of the enemy was turned against the Colombian Armed Forces, which stood in the forefront of the anti-drug fight. The strident voices of the "human rights" lobbies domestically and internationally accused the Colombian military of conducting a "dirty war" against the population, and the term "narco-military" began to replace that of "narco-terrorism." The office of the Attorney General now belonged



Luis Carlos Galán

to Alfonso Gómez Méndez, married to left-wing journalist and M-19 sympathizer Patricia Lara, who devoted his agency's resources and energies to perpetual "investigations" of communist complaints against the Armed Forces.

And yet, despite their best attempts to create an environment of demoralization, isolation, and surrender, the cartels miscalculated. As the electoral campaigns for a new presidency in 1990 began to rev up, the drug mafias discovered to their horror that the front-running candidate was Senator Luis Carlos Galán, a colleague and friend of the murdered Rodrigo Lara Bonilla, and a dedicated enemy of Alfonso López Michelsen.

A young reform-minded politician with tremendous popular backing, Galán represented one of the few remaining political forces in the country that had not been bought or terrorized into submission by the cocaine cartels. A founder of the New Liberalism current within the Liberal Party, Galán had charged as far back as 1982 that "the drug trade wants to destroy New Liberalism because it knows that it is its enemy in Colombia." Galán pledged at Lara Bonilla's funeral to "defend the values and principles for which Rodrigo Lara gave his life." Galán especially defended extradition as "one of the principal tools to confront the drug traffickers. We must use it without fear."

If elected, Galán threatened to shatter the mafia's carefully crafted political alliances of more than a decade. He had to be stopped.

A declaration of war

On Aug. 18, 1989, the drug mafia murdered Luis Carlos Galán, striking him down in a hail of bullets as he prepared to address 7,000 supporters at a nationally televised political rally in poverty-stricken Soacha, near Bogota. Galán's murder, as the television cameras rolled, was meant to terrorize the nation. What it incited instead was a declaration of war by the Barco government. In an Aug. 25 speech to the nation, Barco finally did what many had urged for years, declaring that "Colombia is at war. This is not a simple rhetorical expression. This country is at war against drug traffickers. We will find the barons and bring them to justice."

On the night of Galán's murder, Barco reported to a national television audience on a series of state-of-siege decrees he had just declared, reinstating the extradition of drug traffickers, and permitting the confiscation of mafia properties and wealth. By declaring a state of siege, Barco circumvented the June 1987 ruling of a terrorized Supreme Court against the U.S.-Colombia extradition treaty, and gave back to the nation its single most powerful weapon against the drug mob.

Defense Minister Oscar Botero immediately welcomed the decrees, saying that the President's measures "give the military and police a great capacity for action at this moment. We are now in a frontal war against the violence." Troops began raiding known or suspected mafia hideouts, searching more than 800 in three days and arresting 11,000 suspects. Government forces expropriated vast ranches and estates, mansions, restaurants, office buildings, hundreds of airplanes, helicopters, yachts, cars and trucks, millions in cash and gold, sophisticated weapons arsenals, tons of coca paste, and undisclosed quantities of cocaine-processing chemicals. Mafia estates would be distributed to landless peasants, the government determined, and their airplanes, weapons, and vehicles would be given to the police, military, Justice Ministry, and other government departments.

Reacting with predictable fury, the drug cartels sent a message to the country's major radio stations, signed "the Extraditables": "We will continue our fight and our total war against the anti-nationalists and sellouts, and we declare absolute war against the government, and indus-

trial and political oligarchy, against journalists who have attacked and humiliated us, against the judges who have sold out to the government, against the extraditing magistrates, against the presidents of the trade associations and unions, and against all those who have attacked and persecuted us. We will not respect the families of those who have not respected our families, and we will burn and destroy the properties of the oligarchy."

1990: a year of capitulation

The next six months engulfed Colombia in full scale war, with the police and military wreaking havoc with the cartel's infrastructure, trafficking capability and financial flows, and the cartel fighting back with all the raw terror that money could buy. Several major traffickers fell and by early 1990, the drug chieftains were on the run, their havens seized, their capture considered imminent.

Faced with an array of pro-legalization appeasers running for the presidency in May 1990, the Colombian population instead overwhelmingly chose Galán's successor César Gaviria Trujillo, giving the anti-drug hardliner their mandate to bring the war on drugs to victory. However, under pressure from pro-drug legalization forces in and around the Bush administration and surrounded by the political machine of cartel "godfather" and former President Alfonso López Michelsen, Gaviria opted to negotiate away his advantage. By appointing two failed presidential candidates—López Michelsen protégé Ernesto Samper Pizano and M-19 chief-tain Antonio Navarro Wolf—to his cabinet, Gaviria met the Bush administration's definition of "democracy," and opened the door to Colombia's surrender to the narcos.

The two sides in Colombia's war on drugs

National Anti-Drug Coalition founded	December 1979	March 1982	Escobar elected alternate congressman
Tambs appointed U.S. ambassador	April 1983		
Lara Bonilla appointed justice minister	August 1983		
Tranquilandia raided	March 9, 1984	April 30, 1984	Lara Bonilla assassinated
		July 16, 1984	Patricia Londoño kidnaped
First "Extraditables" sent to United States	January 1985	Nov. 6, 1985	Justice Palace siege
OAS anti-drug conference on money-laundering	April 22, 1986	July 31, 1986	Supreme Court magistrate Baquero murdered
		Oct. 17, 1986	Supreme Court magistrate Aldana murdered
		Nov. 17, 1986	Colonel Ramírez assassinated
<i>El Espectador</i> director Cano launches anti-legalization campaign	Dec. 5, 1986	Dec. 17, 1986	Cano assassinated
		Jan. 11, 1987	Former Justice Minister Paraje wounded in assassination attempt
		Jan. 25, 1988	Attorney General Hoyos murdered
		May 29, 1988	Conservative politician Gómez Hurtado kidnaped
President Barco declares war on drugs	Aug. 19, 1989	Aug. 18, 1989	Presidential candidate Galán assassinated
		Sept. 28, 1989	<i>El Espectador</i> offices bombed by "Extraditables"
		February 1990	M-19 granted political amnesty by Barco government
		Sept. 7, 1990	Gaviria takes office; begins talks with cocaine cartels
		Sept. 9, 1990	Journalists abducted by "Extraditables"
		Dec. 9, 1990	M-19 wins Constitutional Assembly elections

IV. Colombia's drug legalizers: the 'Notables'

On Sept. 20, 1989, the Colombian press revealed that the U.S. State Department had drawn up a "black list" of Colombians suspected of complicity with the narcotics trade. The 24 people listed had had their U.S. entry visas revoked. Among those 24 were congressmen, senators, prominent figures of both major political parties, and one presidential candidate. Glaringly absent from the list was the one man without whom the cocaine "barons" would still be two-bit street hustlers, car thieves, and assassins-for-hire. That man is former President Alfonso López Michelsen, a.k.a. "The Godfather," whose 1974-78 administration opened Colombia's doors—politically and financially—to the drug trade. Also inexplicably absent from the list is the Colombian who has served as a virtual one-man lobby for Dope, Inc.'s legalization efforts for nearly a decade and a half, López's heir apparent, Ernesto Samper Pizano.

Samper is emphatic that without a "global solution" to the drug problem, it will never be solved. His "solution," of course, is the multilateral legalization of drugs. That is also the solution for that financial house of cards known as the international banking system, which has been kept afloat this long only through constant injections of billions in illegal drug money pumped through its veins. A vast lobbying effort has been undertaken—in Colombia, in the United States, and globally—to convince people that Dope, Inc. can be tamed through legalization, that the violence of the drug cartels is but a "response" to state repression, and that a legitimized drug trade would provide billions in tax revenues that could improve the quality of life everywhere.

These same legalizers insist that the war on drugs cannot be won, or that it has already been lost. The irony, of course, is that—except in Colombia—the war on drugs has not yet even begun.

The policy of negotiating a deal with the drug traffickers, *instead of defeating them militarily*, goes hand-in-hand with a drug legalization strategy premised on a dual-power arrangement with the cartels. This has been made explicit in the repeated demands of the traffickers for a negotiated amnesty *as the prelude to legalization*. This is also the approach of the so-called group of "Notables," which publicly surfaced in early 1990 as the self-appointed de-railers of President Virgilio Barco's then ongoing military offensive against the traffickers. They include former presidents López Michelsen, Julio César Turbay Ayala, and Misael Pastrana Borrero,

as well as communist politician Diego Montaña Cuellar and misguided Cardinal Mario Revollo Bravo. The Notables have closely coordinated strategy with the lawyers of the drug lords, a.k.a. "the Extraditables," and have successfully driven first the Barco government, and now President César Gaviria's, into defining the terms of their own surrender.

We look first at the man who forged the "Notables" as the vehicle of the drug legalizers; his profile provides an instructive glimpse into the art of treason.

Alfonso López Michelsen



Former President Alfonso López Michelsen

The 1974-78 presidency of Alfonso López Michelsen, one of Colombia's wealthiest oligarchs, oversaw the mushrooming of the drug trade, which quickly supplanted the traditional role of coffee as Colombia's principal export. These were the years of soaring drug consumption inside the United States, given impetus by the pro-drug policies of the Carter administration, and international bankers were hungrily awaiting the first floods of narco-dollars into their coffers. A successful military crackdown against drugs under the Mexican government of Luis Echeverría spurred traffickers to move their operations to friendlier terrain. López Michelsen, a banker's son described in the book *Kings of Cocaine*, by Guy Gugliotta and Jeff Leen (New York: Simon and Schuster, 1989) as having "the instincts of an alley fighter," made sure Colombia was that "friendly terrain."

Re-tooling the economy for drugs

With the guidance of his Finance Minister Rodrigo Botero Montoya, López undertook as one of his first acts in office a drastic reform of Colombia's banking and financial system, under cover of an "economic emergency" issued by executive decree. López's reform eliminated incentives for serious investment in production, and created mechanisms which allowed for an orgy of drug-laundering and related speculative operations. He eliminated a government-imposed ceiling on interest rates and restricted money supply, which shut down the flow of credit to much of the country's productive activity.

Among the "free market" mechanisms López and his finance minister created were the so-called *financieras*, offspring of the major banking houses, which took advantage of López's reforms to offer exorbitant interest rates for capital then used in speculative ventures. Much of the capital that flowed through the *financieras* went in dirty and came out "clean" on the other end.

According to a July 9, 1982 evaluation by the London-based *Latin America Weekly Report*, these *financieras* provided "a link between the classically conservative Colombian establishment and the subterranean parallel economy, drawing funds from contraband and drug smuggling. They flourish in an atmosphere of high interest rates, lax controls, and feverish speculation."

The 'sinister window'

Another mechanism created by Finance Minister Botero Montoya was the infamous *ventanilla siniestra*, a black market window (literally, "sinister window") set up at the Central Bank to accept illegal drug dollars into the economy, "no questions asked." Botero used the inflation caused by the influx and monetization of drug-dollars through the *ventanilla siniestra* as the pretext for imposing more stringent austerity and credit restrictions.

In its very first year of operation, 1974, the *ventanilla siniestra* laundered half a billion dollars. By 1976, it was accepting \$873 million. By 1981, with the takeoff of the cocaine "bonanza" under President Turbay Ayala, it officially took in more than \$1.7 billion under the rubric of "services." In 1986, according to a Jan. 18 article published in *El Espectador*, services income was \$1.1 billion, representing 19% of the country's total foreign exchange earnings. Wrote *El Espectador*, "The Colombian economy in 1986 had an exceptional performance, thanks to improved prices for coffee and the increase in services income, apparently derived from the drug trade, after two years of adjustment monitored by the International Monetary Fund."

In a Dec. 13, 1987 letter to *El Espectador*, the former president of the Federation of Latin American Banks, Fernando Londoño Hoyos, wrote that \$1.06 billion, the amount of a recent international loan extended to Colombia, "is less than this year's income from the 'sinister window.' " Earlier that year, Londoño Hoyos had written that if the government really wanted to capture drug traffickers, "they should capture them on the lines at the *ventanilla siniestra*."

Although temporarily shut down by President Belisario Betancur, who took office in 1982, the sinister window continues in operation to this day.

Rodrigo Botero Montoya: architect of López's drug policy

López's chief architect in building an open-door policy to the drug trade, Rodrigo Botero Montoya was no small-time economist who happened to be in the right place at the right time. An arch-monetarist of the Milton Friedman "invisible hand" variety, Botero was for years the director of one of Colombia's leading economic think tanks, Fedesarrollo, which issued several studies under his direction recommending the legalization, or "amnesty," for revenues from the drug trade.

He later forged links to the Socialist International by becoming a member of the World Bank's Brandt Commission, notorious for its promotion of "appropriate" (pick-and-shovel) technologies for the developing sector. Together with López and Samper Pizano (see below), he introduced the Spanish-language version of the Brandt Commission report to Colombia, and has represented the commission at forums given by the malthusian Club of Rome. Today, he is a prominent member of the prestigious Aspen Institute, and a vice chairman of the pro-drug legalization Inter-American Dialogue.

The Grupo Grancolombiano scandal

While López served international banking interests well during his four-year reign, he was not averse to letting his family in on the action. Through lucrative government concessions and a willingness to "look the other way," López enabled his cousin Jaime Michelsen Uribe, then head of the Grupo Grancolombiano financial and business conglomerate, to amass a fortune unrivaled in the Colombian business community. In the first six months of 1976 alone, Grancolombiano's assets tripled, and legitimate enterprises began to be swallowed whole by "The Octopus," as the Grupo Grancolombiano came to be known.

Asset-stripping, self-lending, and pyramiding became common banking practice in Colombia under President López's "reform," until several

bankruptcy scandals, combined with a major exposé of Grancolombiano's dirty dealings by the daily *El Espectador*, ultimately led to Michelsen Uribe's downfall. The country's "number-one banker" was forced to flee Colombia, along with his top henchmen, in early 1984, when President Betancur called him on the carpet for his illegal financial practices. He spent numerous years in golden exile in Miami, and remains a fugitive today.

Legalization drive

López was instrumental in launching one of the first "respectable" movements for the legalization of narcotics, through his and his cousin's sponsorship of the career of Ernesto Samper Pizano, scion of a respected Colombian oligarchic family and trained economist. In 1977, Samper was named president of the prestigious National Association of Financial Institutes (ANIF), a wholly owned lobbying instrument of Michelsen Uribe's flagship Banco de Colombia. By 1978, ANIF was already serving, in Samper's own words, as the Latin American coordinating body for marijuana legalization, in conjunction with the U.S.-based National Organization for Reform of Marijuana Laws (NORML) and the International Cannabis Alliance for Reform (ICAR).

Although López himself has never publicly endorsed drug legalization, neither has he hidden his sympathies for such an "option." In fact, in a June 15, 1979 issue of the New York daily *Diario la Prensa*, López chastised the United States for demanding that countries like Colombia "wipe out their [marijuana] crop at a cost beyond what they can afford." During his 1982 election bid, he blamed the decline of the economy of César province on the "lack of ethics" among its marijuana growers, whom he accused of mixing the weed with other, non-psychotropic substances. As a result, he charged, the U.S. consumer market was turning elsewhere for its marijuana!

Links to the cocaine cartels

López Michelsen's 1982 presidential campaign accepted at least 20 million pesos in contributions from Carlos Lehder of the Medellín Cartel.

López Michelsen's administration may have endeared him to the cocaine cartels, but not to the Colombian people. His bid to retake the presidency in 1982 proved a dismal failure, despite—perhaps because of—generous funding by known drug traffickers. His campaign manager at the time was Ernesto Samper Pizano, and the campaign's treasurer was Santiago Londoño White, who, along with his brother Diego, have since been publicly named as "investors" in the Medellín Cartel. The Londoño White construction company, a family affair, was discovered in 1989 to have built most of the cartel's properties in Medellín. Londoño was also the power-broker who, in May 1984, set up the now-infamous meeting in Panama between López Michelsen and the heads of the Medellín Cartel. According to an admission by Samper in 1983, the López campaign accepted at least 20 million pesos in "contributions" from Carlos Lehder, then a leading figure in the Medellín Cartel. Lehder is currently serving a life sentence in a U.S. jail.

Another major financier of the 1982 López campaign was Félix Correa Maya, whose vast banking and investment empire amassed during the López years was built—according to U.S. Drug Enforcement Administration records—on dealings with the dope mob. Correa's financial house of cards collapsed during an investigation conducted during the Betancur

era, and the would-be Meyer Lansky ended up in jail, although he has since been released.

The Duque scandal

Still another López financier was Luis Duque Peña, a coffee magnate whose fortune was built during the heyday of the López years. On May 19, 1983, his flashy 33-year-old son Alberto Duque—a U.S. resident—created a scandal in the Miami Colombian community when he declared bankruptcy, after learning that he was being sued by more than 20 banks to which he owed some \$135 million. The banks had discovered that many of their loans to Duque had been guaranteed by documents for nonexistent coffee shipments from Colombia. The junior Duque had used some of those loans to prop up his father's empire back in Colombia, which began to fail immediately following López Michelsen's 1982 electoral defeat, and which was facing an investigation of its finances by the new Betancur administration.

Alberto Duque had gotten his start 10 years earlier, at the Wall Street offices of the Colombian Coffee Company, owned by his father and run by fellow Colombian Eduardo Orozco Prada. Orozco, it turns out, was running one of the largest drug money-laundering operations on the U.S. East Coast, servicing both Colombian cocaine smugglers and Sicilian heroin traffickers. Within six months of his arrival in New York, Alberto Duque was made a vice president of the company by Orozco, and within five years was a multimillionaire with ownership of half a dozen enterprises, including City National Bank of Miami. Orozco was finally caught and convicted of money laundering by a New York court in 1983. Alberto Duque's downfall came shortly thereafter, although he has yet to see the inside of a jail cell. Although the paper trail of Duque's finances was never pursued to López Michelsen's door, it came as no surprise when the leading Bogota newspaper representing López interests, *El Tiempo*, undertook an unabashed defense of the young Duque as a victim of U.S. "persecution" for being young, rich, and Colombian.

Servicing the mob

López Michelsen's electoral disaster in 1982 could have ended his usefulness to the drug cartels right then and there. But he found other services to render. In late March 1984, Cali Cartel boss Gilberto Rodríguez Orejuela was feeling the anti-mafia heat generated in the aftermath of the Justice Ministry's spectacular raids of the jungle cocaine city of Tranquilandia, the largest cocaine-refining center ever discovered at that time. Rodríguez prudently sold to a frontman his majority holdings of the stocks of the Workers' Bank which was created under the benign eye of President López as a money-laundering mechanism for the mob back in 1974 (see Chapter 6). However, brought onto the bank's board of directors in Rodríguez's place was, among other López associates, Ernesto Samper Pizano. The Workers' Bank continued to launder drug money, its name garnering headlines in 1985 during the U.S. trial of Medellín trafficker and money-launderer Hernán Botero. The Banco de los Trabajadores was finally rationalized by the Colombian government in 1986, after gross abuses and violations of banking law were uncovered.

In addition to facilitating the cocaine traffickers' money-laundering operations, López Michelsen was happy to lend his personal services to

the mob. On April 30, 1984, Colombian Justice Minister Rodrigo Lara Bonilla was murdered by Medellín Cartel hit-men. One week later, on May 6, 1984, López Michelsen met secretly in Panama with the men who had ordered Lara Bonilla's death. López and the mafia chiefs discussed what kinds of terms they could offer that would succeed in buying the country out from under Betancur's control. The proposal they came up with offered that in exchange for an amnesty (i.e., legalization) and an end to extradition, they would:

- dismantle illicit smuggling operations;
- invest their drug money inside the country;
- combat domestic consumption of drugs; and
- retire from "open or visible political activity."

President Betancur rejected the cartel's proposal, despite López's urgings.

López's next move was to give an interview to the daily *El Tiempo*, on July 29, 1984, in which he asserted that "people of ill will ask, while Rodrigo Lara's corpse is still so warm, how could I talk to people who could be his murderers?" In self-defense, López explained that the traffickers had protested their innocence of the Lara killing, that he was merely serving as a "mailbox" for delivering a message to the President, and that anyway, one shouldn't mix morality with the concept of law:

"I understand, as regards those who met with me, that at that time there were no arrest orders issued against them. There are people who, in justifying the talks, attempt to establish a parallel between talks with the guerrillas and this conversation with the drug traffickers. This is true in law, but not morally. It's not even true by the law, because these people were neither indicted nor sentenced, whereas among the guerrillas there are people who have not only been indicted but also sentenced by the courts. . . . In reality, liberal thought's greatest conquest, five centuries ago, was to establish positive law as a rule of coexistence for citizens, where each judge or each citizen cannot say, 'This is so, but morally it is otherwise.' "

Asked if he found the discussions with the mobsters useful for Colombia, López Michelsen responded: "I think it has been useful. . . . If these gentlemen wanted to surrender their laboratories, landing strips, and plantations, and sell their planes, then I think the road to reducing the narcotics trade is probably easier through some form of arrangement than by the more difficult path to reach the same goal."

What that "arrangement" would look like was spelled out in a July 17, 1984 editorial by the Medellín newspaper *Orientación Liberal*, run by López Michelsen networks, which called for a "tax amnesty" to allow mafia fortunes back into the country, as long as they are used "productively. . . . We must ask ourselves if the country can afford the luxury of burying immense sums of money when production is stagnant and unemployment corroding our cities and countryside."

Opposes extradition

López has long stood firmly opposed to using the weapon of extradition against the drug traffickers. Instead, he has consistently promoted the use of "dialogue" as the foundation for ultimate decriminalization of the drug trade. The first serious dialogue with the cocaine barons was his own 1984 effort in Panama to mediate an amnesty for the fugitive traffickers. Again, in February 1987, López called on President Virgilio Barco to begin negotiations with the Medellín Cartel: "The Liberal Party, as both the

"In the end there will have to be dialogue. I fear that due to pressures, there will have to be dialogue."—Alfonso López Michelsen

majority and the ruling party, is obliged to take up the banner of peace with a liberal criterion; it must seek novel political solutions and not merely resort to repression as a means of dealing with the rupture of our social community. . . . We must be aware of the formidable challenge it means to reincorporate into civilian life not only the guerrillas but also the drug traffickers hardened by years of running risks."

Later, that same year, a U.S. extradition petition for Cali Cartel chieftain Gilberto Rodríguez Orejuela was rejected by then Justice Minister Edmundo López Gómez, who immediately thereafter resigned the ministry in so-called protest against what he termed administration pressures to change his decision. López Gómez told the press that his "principled stance" against extradition was taken on the advice of López Michelsen.

López argues that it was the government's declaration of war against the cocaine traffickers which has caused the violence in Colombia today. In a Nov. 3, 1989 speech to a gathering of legal experts in the city of Paipa, Boyaca, López went to the extreme of saying that "the so-called war against the drug trade" constitutes "a new element of destabilization" of Colombian society:

"Why is it that only in Colombia has the fight against the drug trade turned into . . . a war between the state and the mafia? How has it come about that a problem to be handled between the local police and criminals, as occurs in other countries, has become a great national concern, affecting the economic, social, and even political life of the entire citizenry? . . . What came first, the Ministry of Justice classifying the war against the drug trade as a problem of state, or the chain of homicides that is terrorizing society? . . . It seems to me that to claim it was the assassinations that forced us to raise the level of the conflict inverts the terms; it was by giving the character of a war that Colombia has become the only country where such atrocious events have spread throughout the national territory."

In an interview with a group of reporters in Washington, D.C. on Sept. 8, 1989, three weeks after the mob assassination of his political nemesis Luis Carlos Galán, López was asked to state his position on dialogue with the drug traffickers. His response: "It is not the moment for dialogue. But in the end there will have to be dialogue. I fear that due to pressures, there will have to be dialogue. It is not that I favor it, but as the mayor of Medellín said, in the end there will have to be dialogue."

One week after the inauguration of President Barco, on Aug. 12, 1986, an unsigned article appeared in the weekly magazine *Semana*, owned by López Michelsen, who was then head of the Liberal Party which had swept Barco into office. That article warned Barco that no independence in policymaking, no interference with López's nefarious designs, would be tolerated: "Presidents . . . even the ones most attentive to political rumor, end up isolating themselves. . . . In the case of Virgilio Barco, this tendency may be accentuated because of . . . his electoral campaign in which he won overwhelmingly while general opinion, including that of his own advisers, agreed that his strategy was wrong. . . . *History has demonstrated that a series of successes against all advice can create a worrisome syndrome of infallibility.* Something similar happened to Hitler, who again and again proved right against the opinion of all his military experts in the first years of the world war—and with perfect confidence and against them all launched himself irreversibly into the catastrophic Russian campaign" (emphasis added).

On Aug. 27, 1989, *El Espectador* director Juan Guillermo Cano wrote a column lauding the President's decision to retake the helm of the nation,

but warning that some—López Michelsen, for example—were not happy with the President's courageous decision. Perhaps, suggested Cano, it is because "he is reminded by the [mafia's] message of death of his own evil mediation in Panama. It is not clear whether López is happy with Galán's death, or with the message of death. One can expect anything from him. . . ."

Ernesto Samper Pizano



Ernesto Samper Pizano

Carlos de Hoyos

On Sept. 26, 1989, the *Miami Herald* headlined an article, "Leading Colombian candidate suggests legalization of drugs." The article quoted Senator Ernesto Samper Pizano, a presidential candidate seeking the 1990 nomination of the ruling Liberal Party, saying, "If repressive action [against the drug cartels] fails, the road left is legalization of drugs." Samper, whose political career has been carefully nurtured by Alfonso López Michelsen virtually from its inception, has dedicated his efforts over the past decade and a half to advocacy of drug legalization. Samper is committed to legalization of the drug trade, as the prelude to delivering his nation over to Dope, Inc.

Launching the legalization effort

From 1977 to 1980, Samper Pizano served as president of the National Association of Financial Institutes (ANIF), a think tank representing the interests of the country's powerful financial Grupo Grancolombiano, controlled by López Michelsen's cousin Jaime Michelsen Uribe. In the January-March 1979 issue of ANIF's quarterly magazine *Carta Financiera*, ANIF economist Hernando Ruiz Hernández published an article on "The production and marketing of marijuana in Colombia." That article served as the academic underpinning for the ANIF legalization drive to follow.

On March 15-16, 1979, ANIF president Samper Pizano sponsored an international symposium in Bogota under the title "Marijuana: Myth and Reality," which was attended, among others, by:

- Colombian Attorney General Guillermo González Charry
- U.S. Ambassador to Colombia Diego Asencio
- White House drug adviser Lee Dogoloff
- representatives of the U.S.-based National Organization for the Reform of Marijuana Laws (NORML) and the pro-drug monthly *High Times*.

At the symposium, Samper presented his arguments for legalizing the drug trade, which ran the gamut from protecting the peasantry which makes its livelihood from drug production, to deriving economic benefits through legalized drug revenues, to eliminating the corruption and violence fostered by illegal drug smuggling.

The next issue of *High Times* carried a lengthy article, written by one of the attendees at the Bogota symposium, singing the praises of Samper's legalization campaign. Samper is described as "identifiably wealthy, but instead of merely wearing his richness, he uses it. A fat, smug South American capitalist Samper is not. He is sharp, irresistibly ingratiating, and quick as a hawk." Samper's ANIF is described as Colombia's "leading marijuana lobby." In a July 1980 press statement, Samper characterized ANIF as "the Latin American coordinator of the international alliance to amend marijuana laws."

One year later, Samper authored an English-language pamphlet under ANIF auspices, entitled "A Proposal to Legalize Marijuana." Among the many fallacious arguments in the pamphlet is the claim, identical to that of the Colombian Communist Party, that "marijuana is not grown by

“If repressive action fails, the road left is legalization of drugs.”—Ernesto Samper Pizano

criminals, nor by opportunists hoping to get rich rapidly, but by some 30,000 peasant families . . . who have been traditionally excluded from the benefits of Colombia's economic development. . . . *Marijuana production . . . constitutes an occupation that, if not licit within the terms of the law, is legitimate according to a clear concept of social justice*” (emphasis added).

Samper argues in the pamphlet against “repression” of the drug trade, charging that a war against drugs:

- “threatens and harms small farmers, humble fishermen, modest transporters”;
- “terrorizes inhabitants of production areas”;
- “breaks down the innovative social organization scheme that permits the thousands of small marijuana growers to help each other”;
- undermines moral values by forcing the creation of a clandestine economy which has corrupted the honest work ethic;
- increases the profitability for the drug mafias;
- causes “deterioration of [Colombia's] national image”;
- leads to corruption of “the security forces, the judiciary and all levels of public administration”;
- has caused “more generalized violence in the areas where the repressive campaign has been intensified.”

Samper's inability to distinguish a war against criminals from a war against the population is perhaps explained by a 1979 statement he made: “Morality, like criminality, is not an absolute category, as if set for all time; criminal behavior is a political determination born of the state, which establishes that determination based on an interpretation of an *ethos historico*, that is, on popular ethical sentiments. That which was a crime yesterday today is no longer, because of this golden rule of the nature of the function of the state.”

The U.S. drug connection

In July 1979, Samper Pizaro devoted several months to touring the United States, where, under joint NORML-ANIF auspices, he conducted lobbying efforts with U.S. senators and congressmen, government officials, academics, and others to promote his proposal for “legalization on both sides.” In a July 1979 interview, Samper declared, “I think that the person in the U.S. who is nearest to the proposal for legalization is Senator [Edward] Kennedy.” Samper also named Harvard professor Norman Zinberg as an ally in his legalization campaign. During his tour, Samper also met with the Carter administration's representative to the Inter-American Development Bank, Ralph Duncan, who endorsed Samper's legalization proposal and lamented only that the proposal was not yet a Colombian government initiative.

Samper Pizano was also a member of the executive council of the International Cannabis Alliance for Reform (ICAR), of which NORML, too, is a member, and he was quoted in ICAR publications calling for the United States to recognize the legitimacy of Colombian marijuana exports. A close ally and associate of ICAR at the time was Mathea Falco, head of the State Department's Bureau of International Narcotics Matters during the Carter-Mondale administration, and also a member of NORML's advisory board. Falco is believed to have opened the door to Samper Pizano's U.S. tour.

On the mafia payroll

Under the direct sponsorship of López Michelsen, Samper Pizano left ANIF in 1980 to become director of the Liberal Party's newly created think tank, the Institute of Liberal Studies. When López managed to secure the Liberal Party's 1982 presidential nomination, Samper went on to become López's campaign manager, during which time he met with and accepted substantial contributions from leading drug kingpins. In 1983, convicted cocaine smuggler and former chieftain of the Medellín Cartel Carlos Lehder Rivas gave an interview to the Colombian press revealing that he had represented the entire cartel leadership in donating more than 20 million pesos to the López Michelsen campaign, with the explicit understanding that the contribution was a down-payment for legalization of the drug trade should López win the presidency. Samper was forced to acknowledge that he had accepted the money, while denying that any strings had been attached.

Despite the financial backing of the drug mob and the commitment of his own substantial wealth to the campaign, the universally despised López lost his presidential bid. Samper, who had hoped to ride López's coattails into the Senate and thence to the presidency itself, also lost in the anti-López backlash. Two years later, Samper sought and won a seat in the Bogota City Council, campaigning on a platform which urged the legalization of Colombia's contraband trade. He would use that post as a stepping-stone into the Senate in 1986.

The Galán murder

On Aug. 18, 1989, front-running presidential candidate Luis Carlos Galán Sarmiento, a friend and political colleague of the murdered Rodrigo Lara Bonilla, was himself assassinated by mafia hitmen. Galán and Lara Bonilla had collaborated in the founding of the explicitly anti-López political movement inside the Liberal Party known as New Liberalism (Nuevo Liberalismo).

Galán was widely viewed as a shoo-in as Colombian President in 1990, and as a dedicated enemy of the drug cartels. With Galán's death, the front-runner's position for the Liberal Party presidential nomination was open, and Samper Pizano's chances improved. Samper immediately issued two declarations. In a statement to RCN radio in Bogota, he urged making "all the concessions necessary to achieve peace and avoid violence." He also declared that "Galán's banner cannot go slack, and we will take it up and fight for his ideals."

Samper then went on to attack President Barco's emergency decrees issued on the night of the Galán murder, which included extradition of captured traffickers and expropriation of properties and assets owned by the drug mafia. Samper charged that the measures were "inconvenient on the eve of new elections called to consolidate the democratic process." He called for a referendum to determine whether the population agreed with President Barco's course of action or not. He denounced U.S. offers of aid: "Let's not let Colombia be converted into a Vietnam of the war against drugs." He opposed extradition: "I continue to believe that it is not the ideal solution." He urged dialogue with the mafia, and finally he told the daily *La República* Sept. 25, "If repression fails, there must be legalization."

The mafia's fifth column

On Sept. 20, it was revealed to the media that the U.S. State Department had canceled the entrance visas of two dozen Colombians, including eight congressmen, for suspected involvement with the narcotics trade. When the list was made known, Samper protested, "It is very dangerous for us to initiate a campaign of moral terrorism, and for all Colombians to have to go to the U.S. embassy for certificates of good behavior."

Among those included on the State Department's "black list" were Senator Juan Slebi, an open advocate of drug legalization, and Liberal Party regional leader David Name Terán, brother of former Labor Minister José Name Terán. Both are notorious for their involvement with the Atlantic coast contraband trade, and both were high-profile activists with the Samper presidential campaign.

On Sept. 22, shortly after her return from the United States, where she was sent to hammer out a more concrete aid package to back up Colombia's war on drugs, Justice Minister Monica de Greiff was fired by President Barco, through the offer of a low-level ambassadorial post which she rejected, as expected.

The public story was that the minister had "wanted out" of the dangerous job for security reasons, including threats to herself and her family. In fact, De Greiff was part of Samper Pizano's treasonous "fifth column" inside the government, as she confessed in statements to the press following her "resignation," that she:

- opposed extradition of drug traffickers (the cornerstone of Barco's anti-drug offensive);
- favored dialogue with the drug mafia;
- was joining Samper Pizano's presidential campaign.

Days after De Greiff's dismissal from the Barco cabinet, Samper Pizano demanded a meeting of Liberal Party congressmen to formulate a new policy on drugs. He told the media that one needn't "blindly" follow government policy simply by virtue of membership in the ruling Liberal Party. He also announced plans to demand a Liberal Party "statement of solidarity" with De Greiff.

At the same time, the president of Colombia's Chamber of Deputies, Norberto Morales Ballesteros, called for peace talks with the drug traffickers, saying, "People don't see government actions as capable of eliminating the terrorism." Morales too was a supporter of Samper Pizano's presidential candidacy.

The Socialist International link

Samper has sought international support for his legalization campaign through the sponsorship of the Socialist International. His mentor López had sought, unsuccessfully, to get Colombia's Liberal Party formally allied with the Socialist International. Beginning in September 1989, Samper left on a tour to Spain, France, Sweden, and Venezuela. On the eve of his departure for Europe, Samper summarized the purpose of his trip in statements to the Bogota press corps, asserting that, "if there exists the perception that the war against the drug trade is not going to be won, the way will be opened to reach a negotiated solution. . . . Legalization is the viable alternative."

Samper attempted to present himself in each country he visited as a supporter of President Barco's war on drugs, and as a close friend of the martyred presidential candidate Luis Carlos Galán. And yet, fact sheets

on his pro-drug history were circulated by the Anti-Drug Coalitions of several of those countries, which successfully stripped away Samper's façade and presented him as a lobbyist for the drug cartels.

In France, Samper lied to the press corps that he had "changed his line" on the question of legalization. However, when his own statements defending dialogue with the drug cartels, attacking extradition, and urging legalization as an alternative to losing the war on drugs were read aloud to him, he sputtered denials and began to attack his questioners. Samper did not get the red carpet treatment he had expected in Paris, either. While hopeful of a meeting with President François Mitterrand, Samper was only permitted to meet with officials of the Interior and Foreign ministries, and Socialist Party representatives.

Things began differently in Sweden, where Samper's visit was officially sponsored by the governing Social Democratic Party, and his press conference booked at party headquarters. Samper's host was the party's international secretary Gunar Stenarv.

At his Stockholm press conference, Samper told a reporter, "Last week's poll in Medellín showed that 72% supported dialogue [with the mafia]. It is understandable, because people suffer. That must be considered. That is what people are asking for." And yet, when challenged by a reporter on why he had accepted money from the cocaine kings for the López Michelsen campaign in 1982, Samper could only stammer: "That was a long time ago . . . the drug bosses were not known. . . . That was before all the killings."

Swedish National Radio commented on Samper's tour: " 'In case legal and police efforts fail, I am for legalization of drugs,' says Samper Pizano from Colombia, on a visit to Sweden. But legalization of drugs, he claims, is not anything that can be done unilaterally. 'It has to be a multilateral decision.' [Samper's] critics claim that he is running the drug traffickers' interests in his unclear stand on drugs and demands for a dialogue with the drug barons. Galán, who was the natural presidential candidate for the Liberal Party, was assassinated. He had a very clear standpoint on fighting the drug barons. The man who is going to succeed him is much more unclear in his stand on drugs."

Following his European trip, Samper stopped over in Venezuela to meet with that country's Socialist International leader, President Carlos Andrés Pérez, before returning to Colombia. In addition to meeting with Castro intimate and fellow legalization advocate Gabriel García Márquez, Samper reaffirmed his argument in various press interviews that, "after the smoke clears," legalization remains the option. In a Caracas press conference, Samper told reporters: "Once upon a time, a French colonel [at war with England] said he would fight until the last Briton was dead. . . . I cannot say that we will fight the war against the drug trade until the last Colombian is dead." Journalists at the conference were heard to ask each other whether Samper's simile had meant that he was on the side of the drug traffickers, or of Colombia.

Samper's 1990 presidential bid, which he based on the need to reach a negotiated deal with the traffickers, shared the limelight with a chorus line of similar contenders, among them the M-19's Navarro Wolf, National Salvation candidate Alvaro Gómez Hurtado, and the Conservative Party's Rodrigo Lloreda Caicedo. Samper took only 21% of the Liberal Party primary vote, a serious blow to his future presidential aspirations, but was nonetheless granted the important cabinet position of development minister in the Gaviria government.

Samper is currently running the administration's "economic opening" (*apertura*) policy, ostensibly designed to encourage foreign investment,

streamline domestic production, and privatize "inefficient" state enterprises. In fact, such a "free enterprise" policy—in Colombia as elsewhere—will destroy what remains of the country's productive capacities and will create the ideal conditions for implementing Samper's dream of replacing the legitimate economy with a legalized narcotics trade.

Alberto Santofimio Botero



Alberto Santofimio Botero (right), with Ernesto Samper Pizano

Alberto Santofimio Botero is a former contender for the Liberal Party's 1990 presidential nomination. His name appeared on the U.S. State Department's black list of Colombians suspected of involvement in the drug trade. Santofimio got an early start in Colombian politics by getting appointed in 1974 to head the Ministry of Justice under López Michelsen's presidency, just as the narcotics trade was making its first bid for economic and political power.

In 1976 he became president of the House of Representatives, and used his parliamentary immunity to cover for an array crimes, including embezzlement and fraud. Santofimio's behavior was so outrageous that on Nov. 20, 1977, a judge issued an arrest warrant against him, to be carried out at the conclusion of the congressional session. Even from jail, however, Santofimio controlled enough people to get reelected to Congress as a representative from the department of Tolima. By parlaying a combination of gangsterism and bribes into a powerful base of operations in Tolima, and ultimately nationally, Santofimio built himself a movement inside the Liberal Party known as *Alternativa Liberal*, which provided a launching pad for the drug cartel's political ambitions.

On Jan. 31, 1980, new charges were made against Santofimio, this time for having absconded with funds that belonged to the House of Representatives. His legal problems continued until 1987, when a judge threw out all the charges against him for "lack of evidence." It appears that essential documents for the case had disappeared, including microfilms of his bank account transactions, and several files from the House of Representatives library which had been lost in a mysterious fire.

The Medellín Cartel connection

Among those who Santofimio's *Alternativa Liberal* harbored were Congressman Jairo Ortega Ramírez, also a law dean at the University of Medellín, and Medellín Cartel kingpin Pablo Escobar Gaviria. Ortega and Escobar had forged their own environmentalist political machine in Medellín, called *Renovación Liberal*, which served as a vote-buying apparatus for Escobar's congressional ambitions. Elected as a congressional alternate to Ortega, Escobar received the parliamentary immunity he had been seeking.

Ortega, who remained a faithful *Santofimista* congressman through 1990, was deployed by the cartels in August 1983 to initiate a slander campaign against newly appointed Justice Minister Rodrigo Lara Bonilla. Jairo Ortega stood before a full Congress and, waving a fake check in one hand and what proved to be an unintelligible audiotape in the other, claimed to have proof that Lara had taken money from drug trafficker Evaristo Porras. Ortega was explicit that he had no interest in attacking corruption in government, but was only delivering a warning: "Far be it for me to try to detain the justice minister's brilliant political career. I only want him to tell us what kind of morality he is going to demand of the rest of us. Relax, Minister. Just let the country know that your morality can't be any different from that of Jairo Ortega and the rest of us."

Together with Santofimio and another dirty congressman, Ortega succeeded in forcing a congressional investigation of the justice minister, which ultimately absolved him of any wrongdoing. The effect of the slander campaign, however, was to retard Lara's anti-drug offensive, and create the conditions for his assassination less than one year later.

Santofimio's ties with Pablo Escobar became closer than ever, and the Tolima godfather visited Escobar's estates frequently. Undaunted, Lara Bonilla retook the offensive, and in September 1983 succeeded in getting a 1976 murder case against Escobar reopened by a Medellín judge. Santofimio, unwilling to take the heat, dropped Escobar from *Alternativa Liberal*, and urged him to waive his parliamentary immunity and confront the courts. Escobar formally withdrew from the *Alternativa Liberal* on Sept. 11, 1983, but refused to give up either his congressional seat or his immunity until several indictments, arrest warrants, and investigations forced by Lara Bonilla left Escobar no choice.

Santofimio went on to build his influence within the Liberal Party, becoming an executive member of the party in 1986, from which post he lobbied for overturning the U.S.-Colombia extradition treaty.

Carlos Jiménez Gómez



Carlos Jiménez Gómez

Carlos Jiménez Gómez came fully out of the closet vis-à-vis his decade-long relationship to the cocaine mob in January 1991, when he accepted service as the lawyer for President Gaviria's biggest plea-bargain success story to date, the Medellín Cartel's numbertwo chieftain, Jorge Luis Ochoa Vásquez.

Appointed Attorney General of Colombia in 1982, Jiménez Gómez devoted his efforts to pulling his agency out of any role in drug enforcement, while doing his best to sabotage the anti-drug efforts of his bitter enemy Justice Minister Rodrigo Lara Bonilla, who at the time was intent on forcing implementation of the Colombia-U.S. extradition treaty as the single most effective weapon against the drug cartels.

In early 1984, according to *Los Jinetes de la Cocaína* author Fabio Castillo (Bogota: Editorial Documentos Periodísticos, 1987), Jiménez's private secretary William Bedoya met with the frontman of fugitive cartel figure Carlos Lehder, "poet" Luis Fernando Mejía, and reportedly solicited a 30 million peso bribe to "solve" Lehder's extradition problem. It was never stated in whose name he solicited the bribe. On March 22, 1984, Lehder's minions released a tape of the Bedoya meeting to the press. Bedoya turned up dead that same day. Demands for an investigation were squelched, when an obscure lawyer from Jiménez's office, Federico Torres Donado, named a pharmacy where Bedoya had allegedly purchased poison for a suicide attempt. Torres was immediately promoted to the post of regional Attorney General.

When it was leaked to the press that Deputy Attorney General Jaime Ossa Arbeláez had also been in the bribery meeting (behind a curtain, reportedly), he was immediately replaced by Jaime Hernández Salazar, the superior of Torres Donado and the anti-drug director of the Attorney General's office. Salazar's links to the German company Mannesman—the latter exposed in 1985 for its role in financing the narco-terrorist ELN guerrillas—were later denounced by the German magazine *Der Spiegel*. Ossa Arbeláez was quietly promoted to the post of Bogota Notary.

In late May of 1984, shortly after the assassination of Lara Bonilla, Jiménez Gómez flew to Panama with Hernández Salazar, where the Attorney General met—apparently without authorization—with the same mafia assassins that López Michelsen had been closeted with just three weeks earlier and, like López, provided the cartel a vehicle for their amnesty demands. Jiménez and López were denounced in a July 7, 1989 editorial

of the anti-drug daily *El Espectador* as "couriers of crime" for their role as "self-styled interlocutors" of the mob.

While Jiménez Gómez's May 26 visit to Panama was allegedly on "official business" to investigate the disappearance of \$13.5 million of Colombian government funds from a Chase Manhattan bank account, his flight to Panama was on board a private airplane belonging to the prestigious Antioquian business family Londoño White. The Londoño Whites later proved to be key assets of Pablo Escobar's Medellín Cartel; their construction company had built the majority of Escobar's myriad properties in Medellín and elsewhere. According to author Castillo, Jiménez had secretly received Escobar in his office two months prior to the May meeting.

Jiménez continued to play the fifth columnist inside the government. On Jan. 12, 1985, the Attorney General issued an open letter to President Betancur, demanding a reversal of the President's extradition policy. And in July 1985, he filed charges against Colombian police chief Gen. Delgado Mallarino, for "human rights violations" and "abuse of authority" in conducting the government's herbicide eradication program against the country's vast marijuana fields. The Attorney General's action was widely viewed at the time as a green light to the mafia to escalate their terrorist offensive without fear of prosecution.

In 1986, following the well-financed "escape" from a Colombian prison of the Medellín Cartel's Mexican connection, Juan Ramón Matta Ballesteros, Jiménez Gómez opened up an investigation of Lara Bonilla's loyal successor, Enrique Parejo González, for alleged complicity in the escape. Parejo responded with a public denunciation of the investigation as "arbitrary and totally illegal," and charged the Attorney General's office with consistent sabotage of the war on drugs.

Jiménez Gómez is a former law partner in Medellín of Guido Parra, the lawyer who, from 1988 to the present time, has represented the interests of "the Extraditables" (the drug traffickers) in amnesty negotiations with the Barco and Gaviria governments. In 1974, Guido Parra was elected to the lower house of Congress as a congressional alternate to Bernardo Guerra Serna, today a senator from Antioquia whose name figures prominently on the U.S. State Department's black list.

Collaborating with Parra in those alleged mafia negotiations was Colombian "statesman" Joaquín Vallejo Arbeláez.

Joaquín Vallejo Arbeláez

Joaquín Vallejo Arbeláez is a long-standing member of the Colombian ruling elite, and has served as a consultant to government, business, even the Church, for many years. According to October 1989 revelations in the Colombian press, Vallejo Arbeláez served as a secret interlocutor for the extraditable chieftains of the drug trade.

The godfather's godfather

His credentials for the role as mafia mediator stem less from his stature within the Colombian political class than from his personal relationship to Medellín Cartel boss Pablo Escobar. It appears that Vallejo is the spiritual godfather of Escobar, whose own father was a foreman on one of Vallejo's estates when Pablo was born.

In an interview with the press at the time the revelations of the negotiations first appeared, Vallejo claimed that the mafia's decision to use him as a mediator was due to his publicly stated defense of dialogue with any subversive forces. However, Vallejo also admitted that he is a

***"In a war, at any point, it is possible to pardon, if not forget. I am also an advocate of drug legalization."—
Joaquín Vallejo Arbeláez***



Joaquín Vallejo Arbeláez

El Espectador

proponent of drug legalization. After asserting that his contact with the mafia was broken off after the murder of Luis Carlos Galán, Vallejo then hastened to assure that "I did agree, and continue to agree [with holding a dialogue with the mafia], although now one has a few twinges of conscience. But in a war, at any point, it is possible to pardon, if not forget. And I am also an advocate of drug legalization." In fact, the revelations in the press on the negotiations included a summation of the cartel's proposal for amnesty, handwritten by Vallejo himself. Included was a cartel offer to "facilitate" a deal whereby the United States legalizes cocaine consumption and the Colombian government gets the monopoly on export of the drug.

Vallejo's comment on the entire cartel proposal: "Ethical considerations aside, they have reached practical solutions."

The Kissinger connection

A striking aspect of the Vallejo-mafia initiative is the surfacing of Henry Kissinger's name in the affair. It appears that Vallejo urged the cocaine cartel to hire Henry Kissinger to lobby inside the United States on their behalf. "Even Kissinger's name was thought of," said Vallejo. They [the cartel] knew what Kissinger costs. However, they said they were ready to take on those costs for the purpose of convincing the American government of the appropriateness" of such a deal. Vallejo's recommendation may well have stemmed, according to sources in Colombia, from his own work as a paid consultant to Kissinger Associates. Although that employment remains to be confirmed, what is certain is that Dr. Kissinger has never issued a formal rejection of Vallejo's recommendation.

Vallejo readily defends the "good faith" of the drug traffickers. In an Oct. 10, 1989 interview, Vallejo was asked if the mafia's offer to abandon drug trafficking in exchange for amnesty and an end to extradition was trustworthy, to which he responded: "I am also practical. It seems to me that people who are currently hidden in the jungles, without the chance to return to normal, civil life, would abandon [the drug trade] even though it meant no longer earning those enormous sums of money. . . . I believe that these people would renounce future earnings, as anyone would, in exchange for peace and the right to naturally enjoy what they already have, since they have not offered to hand over their properties, but simply to end the business."

A prominent factional leader of the Social Conservative Party and perennial presidential candidate, Gómez Hurtado is one of the "godfathers" of the campaign to legalize drugs in Colombia. As early as 1977, his newspaper *El Siglo* editorialized that "Colombians must think very seriously about legalizing marijuana immediately. . . . First, because it will yield us foreign exchange. And second, because we have proven that to prohibit it, to help a country that is not interested in its prohibition, is damaging to the morals of those charged with enforcing the law."

Gómez maintains intimate ties to many leading members of Europe's oligarchical families. Gómez has also long maintained a close political alliance with Alfonso López Michelsen, an alliance which during the late seventies and early eighties was described in Colombian political circles as *la tenaza*, the pincers. Gómez also shares López's concept of "positive law," in which political expediency dictates "morality."

Gómez was for years viewed as a political godfather to the M-19, stemming from the extensive coverage his newspaper *El Siglo* gave to the

Alvaro Gómez Hurtado



Alvaro Gómez Hurtado

terrorist group's exploits throughout the seventies and eighties, including multi-page interviews, centerfold photo displays, and so forth. At least one leftist terrorist assassin, Camelo Franco, was an employee of *El Siglo* prior to his September 1978 arrest for the murder of former Interior Minister Rafael Pardo Buelvas.

In May of 1988, Gómez was kidnaped by an M-19 commando squad while on his way to church, his bodyguard killed in the struggle. His several-months captivity served as a turning point in Colombia's war on drugs, for the ransom demands were for a negotiated amnesty for the narco-guerrillas. President Barco's waffling over whether to accede to the M-19 demands was blasted by López Michelsen, who called for immediate agreement to negotiate with the narco-terrorists: He told a group of visiting U.S. political scientists that by tacitly endorsing negotiations with the kidnapers, Barco had already "abandon[ed] their treatment as criminals, and grant[ed] them the status of a military organization." López concluded that the next step was to define the M-19 as wartime "belligerents" with all attendant rights and privileges under the Geneva Convention. At least one forthright journalist at the time asked in his column, "For whom is forer President López working this time?"

An already-weakened Barco yielded to these pressures, and created a National Coexistence Commission to institutionalize the M-19's blackmail. Negotiations were hardly begun when some of the more prominent commissioners began demanding inclusion of the country's drug cartels in their "dialogue." Delighted with the turn of events was the Soviet Communist Party daily *Pravda*, which wrote Aug. 8, 1988 that the M-19 "partisan/insurgents" who had engaged the government so cunningly in dialogue, were still bent on seizing power, but that the different components of "the national liberation movement" merely had different styles.

El Espectador

V. The narco-terrorist protection apparatus

The drug traffickers rely heavily on their godfathers described in the last chapter to provide political cover for their activities. But they have another protection apparatus at their disposal as well: Soviet-sponsored terrorism, with which they have developed a symbiotic relationship. After all, they serve the same master.

Despite the illusion fostered by perestroika and its adherents in the West, the Soviet Union has *not* adopted a hands-off policy toward the Americas. In fact, the Soviets view Ibero-America as a prime target for destabilization, for the purpose of tying up U.S. attention, resources, and manpower in Vietnam-style wars. Under such conditions, they calculate they will be able to recruit heavily to a continent-wide "anti-imperialist army" of radical ecologists, ethnic terrorists, and other lunatics.

In its fundamentals, that Soviet strategy has not varied in over a decade, and today, whole areas of the Americas have fallen under the control of Soviet-backed irregular forces *deployed through the narcotics trade*. "Liberated territories" are policed by narco-terrorist armies better equipped than national militaries. These forces have formed a unified irregular militia which has chosen the Andean region as its principal theater of warfare. Its home base, however, is Colombia, where the drug trade has sunk deep roots in its bid for power and where Moscow has a history of penetration going back to the 1950s.

Narco-terrorism: myth or reality?

On Nov. 6, 1985, an M-19 terror squad assaulted the Colombian Justice Palace in downtown Bogota, seized and murdered 11 of the Supreme Court's 24 magistrates, and burned extradition petitions and legal dossiers on drug traffickers, both fugitive and imprisoned. Most Colombians viewed the act as a clear case of "narco-terrorism," and months later, evidence came to light that the M-19 had been paid millions by the drug cartels to carry out the assault, intended to stop Supreme Court affirmation of the U.S.-Colombia extradition treaty then under debate.

Yet, not one of the leading U.S. news media covered the narco-terrorist connection, and even as late as Feb. 13, 1986, FBI director—now CIA director—William Webster was denying that drug-running and terrorism are organically linked. In an interview with the *Los Angeles Times* that day, Webster declared, "Words like narco-terrorism tend to exacerbate the realities as we know them. I also do not believe that the hard evidence



Colombia's terrorists have entered a new phase, targeting the national infrastructure, blowing up bridges and oil pipelines.

links the two. . . ." This denial of the existence of narco-terrorism remains U.S. policy to this day: The use of the term is banned at the State Department and the Pentagon, and U.S. officials frequently justify U.S. collaboration with drug traffickers in Ibero-America on the grounds that they often help fight leftist terrorism.

A single irregular army



CIA director William Webster

"Words like narco-terrorism tend to exacerbate the realities as we know them. I also do not believe that the hard evidence links the two."—William Webster

Over the years, there has been a sorting-out process among the so-called guerrilla movements in Colombia which has led to the emergence of four major armed gangs. At present, they are the Communist Party's Revolutionary Armed Forces of Colombia (FARC), the April 19 Movement (M-19), the Cuban-allied National Liberation Army (ELN), and the maoist Popular Liberation Army (EPL). Despite surface rivalries and disagreements that occasionally appear among them, they actually function as a coherent narco-terrorist army, with assigned territories under their control, in what emerges as an overall war plan. Formally, coordination between them is maintained through the Simón Bolívar National Guerrilla Coordinating Group.

These terrorist bands have collaborated for years with the drug traffickers that sprang from Colombia's earlier emerald-smuggling networks. Not unexpectedly, there have been frequent bloodlettings among them. Bloody battles have been waged between the Medellín and Cali cocaine cartels, between the Medellín Cartel and the M-19, between the Medellín Cartel and the FARC, and so forth. And yet their common purpose—that of imposing a narco-terrorist dictatorship in Colombia and, ultimately, across the hemisphere—bonds them to the "mother" that gives them all aid and comfort: the Soviet Union.

While individual collaboration between guerrilla groups and the drug cartels dates back to the late 1970s, the M-19, FARC, ELN, and EPL surfaced as a unified force in 1985, when they joined with the "indigenist" Quintín Lamé Brigade under the umbrella National Guerrilla Coordinator, later dubbed the Simón Bolívar National Guerrilla Coordinating Group (CNG). Quintín Lamé was founded by Nazi-communist cocaine czar Carlos Lehder, who had publicly pledged to create a "half-million-man army" to "liberate" the continent. Lehder is currently doing a life sentence for drug trafficking in a U.S. jail, but his terrorist creation lives on.

In 1986, the Americas Battalion appeared, allegedly modeled on Simón Bolívar's "liberation army." It incorporated the Colombian terrorists into a larger Andean-based army including Peru's Tupac Amaru Revolutionary Movement (MRTA), the Venezuelan Red Banner, and the Ecuadorian Alfaro Vive, Carajo. Beginning in March 1986 and continuing for nearly two months, 15,000 Colombian troops, backed by heavy artillery, Urutu tanks and armored cars, T-33 and T-37 bombers, and artillery helicopters were deployed in battle in Colombia's Cauca and Valle provinces against the Americas Battalion. Military intelligence uncovered documents showing that some battalion leaders had been trained in Nicaragua and Libya, as far back as 1979.

In July 1987, Colombia's Catholic Bishops' Conference warned that the scourge of narco-terrorist violence was so widespread that "total war" was imminent. "since forces of evil seek to complement each other, those in arms have allied with the drug traffickers for mutual benefit. The one contributes the dirty money of the drug trade to provide weapons to the villains, and these lend their strategic support to protect the drug-trafficking criminals. . . . A union, an alliance, a pact of all healthy and constructive minds is unpostponable if the nation, and the values and rights of the human being, are to be saved."

A Church survey at the time determined that the alliance between the narcotics traffickers and the guerrillas was operative in 80% of Colombian territory. Since that time, narco-terrorist violence has spread to nearly every corner of the Colombian republic.

Any declaration of war against the narcotics trade must encompass the drug-running terrorists of the FARC, M-19, etc., for the Hydra of narco-terrorism cannot be killed unless all of its heads are severed simultaneously.

FARC: the third cartel



Manuel Marulanda (left) and Jacobo Arenas, leaders of the Revolutionary Armed Forces of Colombia (FARC).

The Communist Party's FARC, the oldest of Colombia's guerrilla movements and the one most directly linked to the Soviet Union, was formed over 30 years ago as a peasant self-defense movement during the period of civil war known as *La Violencia*. Its leaders and many of its cadre received their indoctrination and military training in Moscow. Today, the FARC is Colombia's largest insurgent force under arms. According to statistics released by the Colombian Defense Ministry, the FARC grew from 470 combatants in 1978, to 4,280 in 1987, to as many as 7,000 in 1989. Unofficial estimates put that figure closer to 10,000-15,000. The number of FARC columns, called "fronts," has increased from 7 in 1978 to about 44 today, covering a widespread area of the country.

A FARC document which fell into the military's hands in 1989 revealed that the FARC proposed to build an additional 40 fronts between 1990 and 1997, with 400 men in each. The training and arming of these men will cost an estimated \$37 million. With a minimum of \$600,000 in revenue to be exacted from *each front*, the FARC is clearly counting on some big money to finance its ambitious plan. That money is to come from the FARC's full-scale entrance into the narcotics trade as Colombia's "third cartel," as we shall see.

The FARC is strongest in the center of the country, along its "spine," and dominates guerrilla activity in the western mountain range, part of the central range, and in the southeast. From these points, FARC guerrillas are able to strike almost any part of the country. From the western range, the FARC is situated to hit the Magdalena Valley, which runs north-south through almost half of Colombian territory. From the central range in the area of Antioquia—a very rugged mountainous terrain—the FARC has access to the Rio Cauca Valley, running between the east and west mountain ranges. The FARC also maintains permanent operations in the plains and jungle regions, such as Vichada and Guaviare, Caquetá and Putumayo, all of which are now major coca cultivation centers.

Defending the coca-growers

Leaders of both the Colombian Communist Party and the FARC have proclaimed that part of their strategy is to "defend" the peasants involved in the drug trade, known as *cocaleros*. At least half of the FARC's 44 fronts operate in coca- or marijuana-growing areas of the country. "We have no problems with people growing coca. It is not a vice or problem for the people, but for the government," Hermil Lozada, commander of the FARC's seventh front, which operates in the Caquetá region, told the newspaper *El Espectador* in November 1986.

Several months later, in March 1987, *Semana* magazine asked FARC chieftain Jacobo Arenas to respond to charges that his guerrillas were financing themselves through the drug trade. He answered:

"The FARC has many fronts in the areas of coca cultivation, at least

10 or more. But we differentiate . . . between the persons who are involved in production, and some merchants, who are the intermediaries, who come to the regions and buy the coca leaf or paste, and sell it in bulk to other merchants, who bring the product to the laboratories. . . . But the growers are not 'narcos' at all. Growers are growers, as they could be of rice or sesame. . . ."

The FARC has not, however, limited its involvement with the drug trade to benign support for the *cocaleros*. Reports of FARC "protection" and "taxation" of the drug trade go back to as early as 1977-78, U.S. Drug Enforcement Administration officials report. By constant assaults on cocaine laboratories, trafficking networks, and kidnaping of mafiosi, the FARC ultimately made its "protection" an indispensable service to the cartels.

In March 1984, irrefutable proof of their activity was found during the historic police raids of the Medellín Cartel's Tranquilandia cocaine-refining complex in the jungles of Caquetá, at the time the largest such laboratories ever discovered. An entire guerrilla encampment, outfitted with FARC uniforms, automatic and semi-automatic weaponry, and piles of communist literature, was discovered in the vicinity of Tranquilandia. Accounting books were also found which listed the protection services rendered to Tranquilandia's owners, along with descriptions of visits to the Medellín headquarters of the cartel, and a long list of gifts and favors received from "our Medellín friends," including offers of transport to Cuba and Nicaragua.

In addition, documents from the FARC's May 1982 national conference were discovered, which reportedly detailed the guerrillas' tactic of collecting a *gramaje*, or per gram tax, from traffickers processing cocaine in guerrilla-held areas. Where possible, the documents said, the guerrillas should concentrate "on the big traffickers, seizing the merchandise or demanding large sums—but taking care that the movement does not appear to be implicated" (*Kings of Cocaine*, p. 135).

FARC "ideologue" Jacobo Arenas told a reporter shortly after the Tranquilandia bust, "I don't think you can generalize. It could happen that once in a while some of our people may have received money—offered freely—from people we might describe as narcotics traffickers."

Following the confirmation of a narco-terrorist alliance at Tranquilandia, more and more details of similar activities nationwide began to emerge:

- In March 1985, according to the daily *El Espectador*, units of the 14th Army Brigade in the Magdalena region dismantled an encampment of the FARC's 4th Front, which reportedly included a landing strip, coca cultivations, chemicals for cocaine processing and related processing equipment, along with the usual weaponry and military training facilities.

- In May 1986, the daily *El Tiempo* reported that a cocaine laboratory discovered in eastern Vichada department was co-owned by the FARC. The article quoted "trustworthy sources" who revealed that "the FARC is so involved with the drug traffickers that they already own coca crops in the jungle and processing laboratories in Meta, Vichada, Guaviare, Caquetá, and Vaupés," the so-called Llanos Orientales, or eastern plains of Colombia.

- In January 1987, the Communist Party organized a march of 23,000 peasants in Guaviare, to protest how the military's anti-drug programs in the area had "militarized" the department. Colombia's agriculture minister at the time charged that the march had been organized by the drug traffickers to force a military retreat, and even the President's "peace"

advisor Carlos Ossa Escobar—who had previously denied that narco-terrorism existed—insisted, “If the guerrillas don’t rapidly split from the narcos, they will be corrupted by them, and lose.”

- On April 16, 1987, *El Tiempo* reported that the anti-drug sweeps of the 7th Army Brigade in Guaviare and surrounding regions had captured FARC guerrillas in charge of at least 74 fully equipped cocaine-processing laboratories. The 4th Army Brigade commander at the time, Gen. Rafael Padilla Vergara, commented that “the FARC lost its main source of income when the coca laboratories of the Llanos Orientales were destroyed.”

- On June 16, 1987, two hundred FARC terrorists planted land mines in the Colombian jungle province of Caquetá, which blew up two Army convoy trucks, killing 32 soldiers and officers who were part of an engineering battalion. This time, presidential counselor Ossa Escobar was emphatic on the drug connection: “In Caguan, the region of Caquetá where the Army suffered its ambush, the FARC totally controls production of coca. . . . The hypothesis that they fear an operation similar to that in Putumayo [Army raids on vast coca crops the previous week], and are therefore trying to divert attention with attacks like those of Caquetá, is very probable.”

- The daily *El Espectador* reported on May 22, 1988 that “a positive blow against elements of the narco-guerrilla was dealt when six subversives of the FARC’s 11th Front were captured, and 25 *arrobos* of pure cocaine—approximately 312 kilos—were seized. . . .”

- In early July 1988, the 3rd Army Brigade in Cauca discovered a marijuana plantation run jointly by the FARC and M-19. A military source said the process of destroying the marijuana field “could take months,” and newspapers estimated the weekly profits from that plantation at \$4 million!

- On July 15, 1988, the military found 15 cocaine-processing laboratories in the jungle region of Caquetá, again dominated jointly by the FARC and M-19.

- On July 17, the 7th Army Brigade under Gen. Harold Bedoya Pizarro discovered a multinational drug depot in the jungles of Vichada, 80 kilometers from the Venezuelan border. In addition to significant quantities of cocaine, several airplanes were seized, described by General Bedoya as more sophisticated than those possessed by the Colombian Air Force. An airstrip capable of servicing DC-4s was dismantled by occupying troops, and evidence was found indicating that the complex—which stored refined cocaine brought in from all over the Andean region—regularly shipped 1.5 tons of pure cocaine to Cuba, Nicaragua, Europe, and the United States. Both the storage facilities and piloting were managed by members of the 16th Front of the FARC.

In a memorandum submitted to the Colombian National Congress on July 20, 1988, then Defense Minister Rafael Samudio Molina declared:

“The operations carried out in recent months, as well as intelligence efforts in rural areas, have exposed the close links between the drug-trafficking mafias and armed subversion, with the intention of creating ‘independent’ regions, where the law is inapplicable and where they are the only authority, turning these zones into bases of their illicit operations.”

The Barco government was too obsessed with its “peace initiative” with the guerrillas to take heed. On Sept. 26, 1988, while the government awaited a response from the FARC on its latest “peace offer,” the Colombian Army announced that it had raided a huge cocaine-processing complex in Colombia’s eastern jungle province of Vichada, including 40

refining laboratories capable of producing more than three tons of pure cocaine per month. Evidence was discovered that the FARC lent its protection services to the drug traffickers running the complex, for an estimated \$250,000 a month.

FARC and extradition

The FARC and its parent, the Colombian Communist Party (PCC), have always been explicit in their opposition to the Colombian-U.S. extradition treaty, the nemesis of the drug cartels. In March 1987, the FARC's Jacobo Arenas told a journalist: "U.S. justice, a product of a long historic process, is attuned to the morality and living conditions of its society, not of ours. Therefore, we do not agree [with the treaty]. Drug traffickers should be tried and jailed here, not in the U.S. . . ."

In December 1987, Hector Hurtado, executive member of the PCC, hailed the decision of Colombia's Supreme Court to overturn the treaty as unconstitutional, calling it "a matter of sovereignty." PCC fellow traveler and lawyer Luis Carlos Pérez took to the pages of Bogota's *El Tiempo* newspaper repeatedly to denounce extradition as "treason to the fatherland," and confiscation of traffickers' wealth as "a violation of Article 26 of the Constitution." Pérez's name later appeared on a captured payroll list of Medellín Cartel chieftain Jorge Luis Ochoa Vásquez.

Repeated denunciations of the extradition treaty have appeared in the PCC's newspaper *Voz* as well. On Jan. 7, 1988, *Voz* denounced President Barco for being "weak-willed and submissive" to the United States on the extradition issue, and warned: "Instead of getting down on his knees, Barco should assume an upright behavior. And if he does not, let our people do so." On Jan. 14, PCC General Secretary Gilberto Vieira declared: "We Communists have taken a position against extradition of nationals, for reasons of principle. . . ." As late as Oct. 29, 1989, the Communist Party issued a formal document denouncing the use of extradition—as reinstated by President Barco following the Aug. 18, 1989 assassination of presidential candidate Luis Carlos Galán—and urged the legalization of drug trafficking and drug consumption.

Big time drug and weapons deals

On Feb. 21, 1989, *Semana* magazine published a review of these FARC-narc links, and quoted one military source on a discovery made during an anti-drug raid in Putumayo: "We found a landing strip of 1,700 meters long by 40 meters wide, with installations for night illumination and camouflaged by day with trees planted in 55 gallon gasoline tanks. On that airstrip, a DC-6, C-130 or even larger plane could land. . . . We found accounting books belonging to the FARC front that operated in the zone."

Documents on internal FARC financing captured by the military reveal that the FARC high command has ordered substantially larger "contributions" from those fronts located in the coca zones of the country: Guaviare, Urabá, Caquetá, Magdalena Medio, Córdoba, and Putumayo.

In January 1989, a huge clandestine weapons shipment from Europe to Colombia was intercepted on the island of Jamaica, and details from a year-long investigation of the pending \$8 million shipment revealed that it had been a collaborative effort of both the Medellín Cartel and the FARC. The shipment, including 1,000 long-range attack rifles, 250 machine guns, 10 grenade launchers, 600 grenades, and an undetermined

number of pistols, was bought from the Hecker und Koch company of West Germany, shipped by boat from Portugal to Jamaica, and was to be flown from there to the Colombian region of Urabá, which is dominated by the FARC.

Alerted by Colombian military intelligence, which had been following the deal since its planning phase in January 1988, the Jamaican authorities seized both the shipment and the smugglers. Under questioning, the smugglers reportedly revealed that they worked for the Medellín Cartel, and that they had paid cash for the weapons in Portugal, in exchange for a shipment of cocaine to be delivered by the FARC. Jacobo Arenas issued a communiqué denying that the weapons were his.

Then Colombian Defense Minister Gen. Manuel Jaime Guerrero Paz charged in a Jan. 10, 1988 press conference that the FARC's declared "Christmas truce" had clearly been a cover for smuggling the weapons in. *El Espectador* editorialized that same day, "Once again the alliance between that irregular militia and the drug trade comes into the public light. And not just in any old way, [but] to warn us, among other things, of the sinister presage of its eventual domination."

Narco-communists vs. the Armed Forces

The Moscow-allied Colombian Communist Party has played an active role—both politically and propagandistically—in sabotaging Colombia's anti-drug initiatives. Its line of attack is that the problem is not the drug trade, but "narco-militarism," a term they invented to substitute for the concept of "narco-terrorism." Until all "fascists"—their term for "anti-communists"—are purged from the Armed Forces, there can be no peace in Colombia, they threaten.

For example, the Communists' weekly *Voz*, of Aug. 24, 1989, adopted the mafia's line that it was not the drug cartels which were responsible for the murder of Liberal presidential candidate Luis Carlos Galán on Aug. 18. Rather, claimed *Voz*, he was murdered by "the fascist militarist



A military parade in Bogotá's Plaza de Bolívar. The narco-communists, along with the U.S. State Department, have targeted the armed forces of every Ibero-American nation for destruction.

phenomena" on orders of "privileged sectors of society and of the economy who are resistant to change." *Voz* challenged any attempt to reinforce the Armed Forces in this crisis, arguing, "It is not true that [Army] manpower needs to be increased, but rather what exists needs to be purged."

Another *Voz* editorial, published Aug. 31, contained a declaration of the Communist Party denouncing the government's anti-drug offensive as a "dirty war" imposed by the "U.S. imperialists." The same issue of *Voz* carried a special report on the November 1985 occupation of Colombia's Justice Palace by the M-19 terrorists, under contract with the drug mafia. *Voz* argued that the M-19 was not guilty of the 100 deaths that took place during that siege, but rather it was the Armed Forces, and especially Gen. Jesús Armando Arias Cabrales, who commanded the troops that recaptured the palace from the terrorists.

On Sept. 1, 1989, Bernardo Jaramillo Ossa, the secretary general of the Patriotic Union, which was founded as a Communist Party electoral front, charged that the Barco government had "handed over national sovereignty" to the "Yankees," by accepting U.S. aid and by pledging to extradite the mafia.

This campaign in defense of the drug cartels was given free coverage by the *Washington Post* on Aug. 28, which cited Colombian Communist Party Central Committee member and "labor leader" Gustavo Osorio, claiming that the Galán murder was "politically motivated": " 'The Galán assassination is part of a plan by the extreme right to spread violence, terror and murders . . . to prevent the democratic changes the country so urgently needs,' said Gustavo Osorio, vice president of the United Labor Confederation," the *Post* reported.

One day later, the *Washington Times*, property of the pagan sect headed by Rev. Sun Myung Moon, whose links to both the CIA and Moscow have been well documented by *EIR*, gave prominent coverage in an interview to Antonio Suárez, president of the national association of judicial employees, in which he attacked the government's anti-drug decrees for "intensifying the climate of insecurity" in the country. Like the *Post*, the *Times* failed to inform its readership that it was interviewing a prominent member of the Communist Party.

The objective of the communists is to assure, at all cost, that the Colombian government continues its policy of "dialogue" and concessions to the narco-terrorists.

The April 19 Movement (M-19)

On Dec. 9, 1981, the Mexican authorities arrested Jaime Guillot Lara, a prominent Colombian drug trafficker operating out of Miami and, according to high-level Mexican sources, a close personal friend of then M-19 chieftain Jaime Bateman Cayón. Under interrogation, Guillot reportedly confessed to being one of the M-19's principal weapons suppliers, and provided details on several arms shipments he had made to the terrorists in the previous few months. According to various charges, including those of the U.S. State Department, Guillot had worked out a deal with Cuban government officials through which his drug ships were allowed refueling and repair privileges by the Cubans.

One shipment of arms delivered by Guillot to the Colombian coastal city of Barranquilla was collected on Oct. 24, 1981 when an M-19 commando squad hijacked a Colombian airliner to carry the weapons to the M-19's jungle hideout in the province of Caquetá. Another arms shipment to the M-19 was lost Nov. 16, 1981, when Guillot Lara's ship, the *Karina*, was caught in Colombian waters offloading Cuban weapons.



Jaime Bateman

The *Karina* was sunk by the Colombian Navy, but survivors revealed that the weapons were intended for the M-19.

The M-19 was founded in 1970, so the story goes, when a disenchanted faction of the military-linked ANAPO party went underground, after an ANAPO presidential victory was stolen through vote fraud. The M-19's ultra-nationalist cover was announced by the theft of Simón Bolívar's sword, considered a national treasure. In 1976, it kidnaped and murdered Colombia's most prominent labor leader, José Raquel Mercado Martínez. In 1979, it underwent a "left-wing" conversion, when it deployed its small forces to Nicaragua, to share in the Sandinista limelight after the overthrow of Gen. Anastasio Somoza.

Then, in 1980, an M-19 assault commando seized the Dominican Republic's embassy in Bogotá during a diplomatic reception, capturing over a dozen ambassadors along with nearly 60 other hostages. They held the embassy for 61 days, while haggling with the government of President César Turbay Ayala over ransom conditions. The occupation ended with capitulation by the government, which reportedly paid \$1-2 million in cool cash as ransom. President Turbay also provided safe conduct to Havana for the terrorists. That ransom fueled the launching of a drug-trafficking terrorist apparatus which showed its true colors in the Nov. 6, 1985 Justice Palace siege.

After its collaboration with the Sandinista leadership, the M-19 plunged headlong into mysticism. M-19 leader Jaime Bateman recruited youths into M-19 ranks with the promise that a special "mental chain" made them invincible. In an interview with the Peruvian magazine *Carretas* of Nov. 28, 1983, Bateman declared, "What do you think the mental chain is for? What's going on is that my mother is a Gnostic; my mother was in charge of setting up Gnosis in Santa Marta. And every Saturday they do a chain to protect us, the organization. . . ."

Carlos Lehder: the M-19's Nazi-communist pal

The M-19's Gnostic belief structure made it a perfect match with that of Carlos Lehder Rivas, the onetime auto thief who rose to become the cocaine cartels' "transport king," before his cocaine-soaked psychosis made him too dangerous for his associates to tolerate.

Who is Carlos Lehder really? A scan of his last five years' writings and interviews before his February 1987 "capture" and extradition to the U.S. provides a striking view of Lehder's kaleidoscope of ideological attachments. His professed admiration for Adolf Hitler, his association with the Colombian MAS death squad that murdered leftist students and labor leaders, his oft-published denunciations of "Marxism-Leninism," all stand in seemingly stark contrast to his worship of the Beatles' "peace-loving" John Lennon, his political movement's emulation of the "flower-children" of West Germany's Green Party, his lucrative business arrangements with the Cuban and Nicaraguan governments, and his declaration of common cause with the M-19.

Schizophrenic? Not at all. The career of Carlos Lehder offers a clinical view of the phenomenon of *Nazi-Communism*, a joining of two not-so-irreconcilable worlds in the underground of Dope, Inc.

Lehder's car- and dope-smuggling links to the Detroit mob in the early 1970s landed him in jail during his early twenties, but he came out wiser and moved to the Bahamas. There, he turned his love of airplanes into a transport rental service for the burgeoning drug trade moving through those islands. In the late seventies, he crossed paths with the fugitive



Carlos Lehder

"Coca and marijuana have become a revolutionary weapon against U.S. imperialism. Colombian stimulants are the Achilles' heel of imperialism."—Carlos Lehder

master embezzler Robert Vesco, and the two purchased a private island in the Caribbean known as Norman's Cay. Their intention was to turn the island into a high-class "pit stop" for the dope trade.

In a relatively brief period, Lehder amassed a fortune from Norman's Cay. When the island had the misfortune to be shut down by U.S. anti-drug forces in 1981, Lehder took his money back to his Colombian home state of Quindío, where he built himself a feudal empire and linked fortunes with the Medellín Cartel of Pablo Escobar and the Ochoa clan.

Far from ending his lucrative business association with Vesco, Norman's Cay proved to be just the beginning. Vesco quickly found a bigger and better Norman's Cay in the form of Cuba, where Fidel Castro welcomed the fugitive with open arms—in return for a piece of the action. Key to that "action" was Lehder and cocaine. That's also where the M-19 came in.

Journalist Ernest Volkman wrote in the April 25, 1984 issue of *Family Weekly*, "The Cubans needed Lehder; they were trying to run guns to leftist M-19 guerrillas in the Colombian countryside. Lehder, with his extensive smuggling operation, was perfect for the job and a deal was struck. Lehder would aid Cuban arms smuggling into Colombia, while the Cubans would provide protection, anchorages, and other help for his drug-smuggling operations into the United States."

Lehder handled logistics and Vesco the finances, for what rapidly grew into a cocaine trade supplying nearly 80% of the U.S. cocaine market. Cuba was not Vesco and Lehder's only Communist ally. In July of 1984, Lehder was named for the first time by a federal grand jury in Miami as one of 11 sought for trafficking Colombian cocaine into the United States through Nicaragua.

Back in Colombia, Lehder continued to expand the movement he had launched under the name of National Latin Movement (MLN). Lehder bought himself a 4,000-man army of fanatic youths, a national presence through full-page newspaper ads, and his own weekly newspaper, *Quindío Libre*. Lehder's rag, printed in green ink on green newsprint, mixed diatribes against extradition, Judaism, and U.S. imperialism, with advocacy of drug legalization, environmentalism, breeding a taller and healthier "race" of Colombians, and praise of Adolf Hitler. His rallies were held with giant posters of Hitler and Mussolini for backdrops, and Hitler was described by Lehder in several interviews as "one of the great men of our history," and "the greatest warrior mankind has ever had."

Lehder was a fanatic environmentalist, and attempted to model his MLN on the West German Green Party, itself a classic Nazi-Communist creation in the service of the Soviets. He was also obsessed with Ibero-America's "indigenous races," and financed the creation of a narco-terrorist "indigenist" force called the Quintín Lamé Brigade.

By 1984, Lehder had spread his movement to three Colombian provinces. He was holding mass rallies in the capital of Bogotá, he had run—unsuccessfully—for the Colombian Senate, and he had begun to buy up clerics and politicians. His arrival in Congress was but a matter of time. Despite his public admissions of drug trafficking, Lehder operated with impunity, until Justice Minister Rodrigo Lara Bonilla ended Lehder's megalomaniacal dreams of an easy ascent to power. Lara amassed the evidence against Lehder that led to an arrest warrant and an extradition order. Lehder was driven underground, where he became the mafia coordinator of Dope, Inc.'s "irregular warfare" forces region-wide. His relations with the M-19 grew warmer.

Following the April 30, 1984 mafia assassination of Lara Bonilla, and President Betancur's decision to employ Lara's weapon of extradition

against the traffickers, Lehder and his associates responded with the threat to "kill one American for every Colombian extradited to the U.S." The M-19's Iván Marino Ospina gave a press conference in Mexico City to declare his organization's support for the mob. "These threats should be carried out throughout the world against the representatives of rapacious imperialism," said Ospina on Dec. 5, 1984. "If the drug traffickers carried out their threats, it would seem well done to the M-19, and it would be a matter of negotiation if some day those drug traffickers, who are Colombians also, decide to use their wealth in order to build the country."

Lehder made his mutual admiration pact with the M-19 a matter of public knowledge shortly thereafter. "Let us say that the M-19 is a movement which has made some positive changes, such as abandoning kidnapping and extortion. It has taken a nationalist and revolutionary direction, and pronounced itself against the extradition of Colombians to the United States. This suggests to me that the M-19 is playing a key role among the Colombian masses. . . . I believe that Commander Iván Marino Ospina's call [for dialogue with the drug traffickers] is a call for the Colombian revolutionary movements to join the bonanza, as a revolutionary means of struggle. . . . Coca and marijuana have become a revolutionary weapon against U.S. imperialism. Colombian stimulants are the Achilles' heel of imperialism."

Their terrorist gangs did, in fact, join forces. In mid-October of 1985, the M-19 and Lehder's Quintín Lamé Brigade deployed a 100-man commando force in an unprecedented rocket attack on the Army barracks in the city of Armenia, Lehder's hometown. Just days later, on Oct. 23, 1985, the M-19 attempted to kidnap then Armed Forces Commander Gen. Rafael Samudio Molina, reportedly in hope of ensnaring President Betancur into granting an amnesty to the drug mob. The attempt failed, but the narco-terrorist alliance was sealed.

The M-19 attack on the Justice Palace

On Nov. 6, 1985, a 40-man M-19 commando unit entered the Justice Palace in Bogota and, after a brief firefight with the guards, occupied it. Hundreds were taken hostage by the terrorists, who immediately began hunting down the Supreme Court justices who were hearing testimony on the viability of the U.S.-Colombia extradition treaty at the time of the siege. Nearly half the Supreme Court were executed that first day, most with a single bullet to the head. The legal dossiers on scores of drug traffickers were burned.

As developments unfolded, it became eminently clear to all that while guerrillas were carrying out the raid, it was the drug mafia that was directing the action. Just one month earlier, every member of the Supreme Court had received a warning that he (or she), along with his entire family, would be liquidated should the court continue to consider extradition requests and refuse to declare the treaty unconstitutional.

On May 6, 1986, the first U.S. official to claim to have proof that narco-terrorism actually exists gave testimony to the U.S. Senate Foreign Relations Committee on the Justice Palace incident. Robert Oakley, then head of counterterrorism for the U.S. State Department, declared in those hearings, "We discovered, after the fact, very solid evidence that the people who carried out the attack against the Palace of Justice were paid \$5 million by one of the chief narcotics groups down there for the precise purpose of destroying the legal records and intimidating the judges so that there wouldn't be any more extradition. [This is] one example of

where you get the peculiar combination of narcotics trafficking, terrorism, and extradition.”

It was learned shortly thereafter that the M-19, described in much of the international media as “Colombian nationalists” and “idealistic youth,” had access to such sophisticated technology in communications interception, that they had placed taps on the most sensitive U.S. military and law enforcement communications lines. Sen. Dennis DeConcini and Rep. Glenn English released a letter to then President Reagan on Nov. 18, 1986 which revealed that not only had the M-19 placed phone taps throughout the Justice Palace prior to their siege, but that “indisputable evidence exists which demonstrates that military and law enforcement radio communication frequencies of enormous sensitivity are in the possession of criminals, and that criminals actively monitor those frequencies. These frequencies include those in Air Force One and . . . those used by the Secret Service Presidential Protection detail.”

Although the M-19 lost many of its best cadre in the Justice Palace siege, it was far from dead. On April 3, 1986, an M-19 commando stole 14 tons of sodium bicarbonate from a factory in Cundinamarca factory, a chemical, as Colombia’s press pointed out, used in processing cocaine.

On June 17, 1986, the M-19 claimed responsibility for that morning’s assassination attempt against then Interior Minister Jaime Castro. The M-19 also announced plans to form “suicide squads” to murder President Betancur and his entire cabinet. Taking advantage of a Liberal Party campaign to pin the blame for the Justice Palace massacre on the outgoing Conservative President Betancur, the M-19 floated its first calls for negotiating a “peace” with the newly elected Liberal government of Virgilio Barco: “We are partisans of dialogue, and believe that one can hold a dialogue with Virgilio Barco,” they declared. They also urged Pope John Paul II, who was coming to Colombia on July 1, to serve as a mediator between themselves and President Barco. The Pope, instead, stressed the need to do battle against the “twin slaveries” of drugs and usury.

On Nov. 14, 1987, the Colombian press revealed that the Medellín Cartel had sought to hire assassins from its guerrilla associates to murder the head of the national police in Colombia and the head of the U.S. Drug Enforcement Administration office there. High-level sources were cited describing a meeting convoked by the cartel just two weeks earlier, attended by representatives of the M-19, the EPL, the Ricardo Franco Front (a splitoff from the FARC), and other splinter forces of the armed left. Money and weapons were offered to whoever accepted the “political hit” against the two officials.

In a March 30, 1988 press conference by Gen. Jaime Ruiz Barrera, then commander of the 4th Army Brigade based in Medellín, it was revealed that a military raid of cartel chieftain Pablo Escobar’s “El Bizcocho” one week earlier had led to the arrests of members of the M-19, who had been coordinating operations with Escobar at the time of the raid. Escobar himself reportedly escaped by the skin of his teeth.

The ‘peace’ ploy

The M-19, smaller but considerably richer after the Justice Palace siege, was anxious to preserve its lucrative business relationship with the Medellín Cartel. Despite its failure in 1985 to blackmail the Betancur government into “peace” negotiations through the Justice Palace occupation, it was prepared to try again. The objective: to serve as a foot in the door for negotiating a political amnesty for the narco-terrorist apparatus waiting in the wings.

On May 29, 1988, five M-19 terrorists kidnaped former Colombian presidential candidate and Conservative Party leader Alvaro Gómez Hurtado. His bodyguard was murdered in the process. The primary condition for Gómez's release was that the government sponsor a "peace summit," at which an amnesty dialogue could be held. While the government refused to accept or reject the demand, leading political, business, and labor figures rushed forward to offer themselves as mediators in such a dialogue. The National Coexistence Commission, a form of institutionalized blackmail against the government, was created to promote the negotiations, and Gómez Hurtado was released on July 20, unharmed.

The Soviet Communist Party newspaper *Pravda* on Aug. 8 welcomed the incipient dialogue between Colombia's narco-terrorists and the Barco government as "a step along the path toward seizing power." Explained *Pravda*, "The partisans (!) motivated their kidnaping by their aspiration to start a dialogue of the insurgents with the government."

But retired Gen. Rafael Peña Ríos, former commander of the 12th Brigade in the FARC- and narco-infested jungle region of Caquetá, had a different description of the M-19's motivations:

The plan was "perfectly timed, yes. It began with the [Aug. 19] publication by Amnesty International [attacking Colombia's military], then with the trip to Europe of political leaders of the extreme left. . . . It continued with the peasant marches [protesting militarization of the countryside]. Then it expanded with the blockading of wells and pipelines. Bridges were blown up, banks and warehouses dynamited. Elements infiltrated into the marches shot at officers and soldiers. The kidnaping of Dr. Gómez was the culmination of the plan. . . . It was a destabilization operation, and nothing has more of an impact than the kidnaping of a prominent political leader. . . . It was a counterintelligence operation executed over several weeks, with the participation of many people."

President Barco, again refusing to heed the warnings of his own military advisers, tacitly gave the nod to opening up a "peace dialogue" with the M-19. Further, he defended a false distinction between the drug cartels and the narco-terrorists by denouncing as "unacceptable" placing drug criminals and subversives on the same plane. He said his government would not renounce its policy of generosity and "national reconciliation," and argued against "options that limit us to a strategy of either scorched earth or political surrender." The cartels' "foot" was already in the door, however, for members of the National Coexistence Commission had begun urging inclusion of drug traffickers in the dialogue process.

The narc-FARC was the first to test the waters. On Aug. 23, a 300-man FARC commando unit ambushed a military patrol and assaulted a police station in the department of Córdoba. More than a score of civilians, soldiers, and police officers were gunned down, and a mother and her two infants were burned alive when their home was torched by the terrorists. Eleven soldiers and an equal number of policemen were taken hostage by the FARC, which proceeded to contact the National Coexistence Commission to mediate their release. After several weeks of direct negotiations with the government, a successful military encirclement of the guerrilla unit holding the hostages was ordered demobilized, and the kidnap victims freed. Not one guerrilla was captured and, in the end, the government hailed the hostage release as a "positive response" to its peace initiative.

Enter Armand Hammer's ELN

Linked with Cuban terrorist insurgency and founded by liberation theologians, the ELN concentrates its activity largely in the northeastern regions which border on Venezuela. Its operations in Colombia were



Armand Hammer

relatively insignificant until approximately 1984, when Occidental Petroleum Company, owned by the late Soviet agent Armand Hammer, began to subsidize its operations.

Financing by Occidental first came to light on July 16, 1985, when the head of the prestigious Society of Agriculturists (SAC), Carlos Ossa Escobar, charged that Occidental, and its subcontractors Mannesman-Handel of Germany and Bechtel of the United States, had bought "guerrilla protection" from the ELN. On July 17, Armed Forces Commander Gen. Augusto Moreno Guerrero confirmed the SAC charges, and said that documents proving that these companies, and a third subcontractor, SICIM of Italy, were paying "war taxes" to ELN guerrillas in Arauca province, ostensibly to prevent sabotage of the oil pipeline they were constructing as well as kidnapping of their personnel, had been delivered to the presidency.

The evidence was irrefutable. On Dec. 27, 1984, the three companies' representatives had met with five ELN terrorists to approve the payment of \$200,000 per month to the guerrilla organization, plus provision of supplies and helicopters to "protect" the pipeline. The ELN revealed in its July 1985 *Bulletin No. 20* that it had received \$4 million from Mannesman in "war taxes." The Mannesman connection is especially important, in light of the fact that, according to *Los Jinetes de la Cocaína* author Fabio Castillo (Bogota, Editorial Documentos Periodísticos: 1987), one of Mannesman's agents of influence in Colombia, former Deputy Attorney General Jaime Hernández Salazar accompanied Attorney General Carlos Jiménez Gómez in May 1984 to his clandestine and *unauthorized* meetings in Panama with the entire leadership of the Medellín Cartel.

Finally, in July 1985, Armand Hammer admitted to the *Wall Street Journal* that his company in Colombia had indeed hired the ELN. "We are giving jobs to the ELN. We give them work as suppliers, and we take responsibility for the local population. It has functioned until now, and they in turn protect us from other guerrillas." The Colombian media at the time revealed that Mannesman had explicitly rejected as "inadequate," offers from the local military to provide security, and had insisted that his company had decided to use "other instruments" to carry out its work. Said a Mannesman representative, "Everything that happens within the perimeters of the [work] camp is a matter of the company. . . . Any outside intervention we consider clearly illegal."

The fact is that Occidental and Mannesman were *not* paying protection money to forestall attacks against their operations, but were providing outright financing to the ELN terrorists for the destruction of Colombia's state oil company Ecopetrol! Over the period between 1985 and December 1987, assaults on Colombia's oil and gas installations dramatically *increased*, totaling more than 120! And the rate of attacks continued to increase.

The ELN was hardly the anti-imperialist "liberation army" it claimed to be in justifying its attacks on Colombia's energy infrastructure. In 1984, the Army captured ELN terrorists in César province, who were in possession of a significant arsenal and some 20 tons of marijuana. ELN collaboration in cocaine-running with the Venezuelan Red Banner was already well known.

On Nov. 13, 1986, the ELN clashed violently with Venezuelan National Guardsmen in that country's Sierra de Perija region, bordering Colombia. Sierra de Perija, in the state of Zulia, has been identified as one of the largest marijuana-producing centers in the world. On June 12, 1987, a 100-man commando unit of the ELN swept down on 23 sleeping members of a Venezuelan National Guard patrol that had been conducting

search-and-destroy operations against marijuana and coca plantations and laboratories in the Sierra de Perija. Nine soldiers were killed. In December 1987, 20 ELN members were captured in the region, and in January of 1988, 17 ELNers were killed—again in the Sierra de Perija—in a fight with Venezuelan troops.

On Feb. 15, 1988, *El Espectador* editorialized on the narco-terrorist implications of ELN attacks against the Colombian oil pipeline and installations: "It has cost our [state oil] company \$48 million in unconsumed sales. . . . With these simple figures collapses the perfidious and hypocritical claim that the fight is against imperialism, that eternal and already anemic war horse, when Colombia is facing the most dangerous multinational imperialism of all, that of the drug trade."

On June 16, 1989, the ELN culminated years of narco-terrorist insurgency with a massive attack on the vital Covenas oil port and pipeline terminus. The pumping and weighing stations were blown up, and the nation's oil exports suspended for a full month. National production fell 50% and domestic fuel prices raised 10% nationwide, in an attempt to recover the \$100 million in damages caused by the attack.

Despite the extent of the damages done to the nation, on June 25, Comptroller Rodolfo González held a press conference to urge a "dialogue" with the ELN on its terror-backed demand for nationalization of the country's oil industry. "If there is an action by an insurgent group which is proposing some political alternatives, why not talk, why not have dialogue, why not see if it is true that their proposals will tend to improve the country's profits from oil?" González's proposal to include the ELN in the peace dialogue was later echoed by Generals Pedro Nel Molano and Nelson Mejía Henão, prompting at least one journalist to comment that Colombia now had "co-government, under blackmail of death and the blowing up of pipelines."

Cartels renew their 'peace' offer

With at least three "feet"—the M-19, the FARC, and the ELN—now propping open the door to "peace negotiations," the drug cartels themselves made their move. On Aug. 18, 1989, mafia hitmen murdered presidential front-runner and anti-drug activist Luis Carlos Galán. In response to the military crackdown that followed, the cartels began to offer the semblance of a "surrender" through negotiations with the government. First came an open letter sent to President Barco by Fabio Ochoa, the patriarch of the Medellín Cartel's Ochoa clan, who begged an amnesty for his three sons. The cartel's Gonzalo Rodríguez Gacha offered to give up his properties (already seized!) and to stop trafficking drugs in exchange for calling off the war. Even Pablo Escobar stated his willingness to "leave all the confiscated properties and airplanes [of the cartel] in the hands of the state. Our only desire is to be integrated into society, into legal society. . . ."

The mafia call for dialogue was echoed by such prestigious individuals as the mayor of Medellín, Juan Gómez Martínez, the president of the Chamber of Deputies, presidential candidate Ernesto Samper Pizano, and of course former President Alfonso López Michelsen, who had been promoting such negotiations with the mafia since 1984. The arguments offered were that the country could not endure the river of blood that a protracted war with the drug cartels would produce, and that such a war was unwinnable anyway, so why not strike a deal?

A little blackmail was added to the pot, with the "revelation" by former government minister Joaquín Vallejo Arbaláez, that he had allegedly been mediating secret negotiations between the cartel and the government for over a year. Vallejo, it turned out, was godfather to Medellín Cartel leader

Pablo Escobar. The cartel responded to the revelations by reiterating their earlier offers to dismantle their drug-trafficking networks and bring home their vast fortunes—in exchange for an end to extradition, amnesty, and legalization of the drug trade.

President Barco began to weaken. Under pressure from both the United States and the human rights lobby internationally, the military offensive against the drug cartels was reined in, extraditions unofficially suspended, and negotiations with the narco-terrorists proceeded apace. In the spring of 1990, the M-19 was formally amnestied by the Barco government, and given the status of a protected political party. On May 7, M-19 chieftain and presidential candidate Antonio Navarro Wolf garnered more than 12% of the vote, taking third place and guaranteeing himself a cabinet seat.

Antonio Navarro Wolf: M-19's commander-in-chief

A former "sanitation engineer" who did his postgraduate studies at London School of Economics on a Rockefeller Foundation grant, Navarro Wolf joined the M-19 in 1978, when the largely student-based movement was absorbed with Gnostic mysticism and Castroite rhetoric, and financing itself through kidnappings. Navarro Wolf's mentor was M-19 leader Jaime Bateman, the son of a Gnostic magician who wove "invisible chains" to keep him immortal. Bateman died in an airplane crash in 1984, while reportedly smuggling a large quantity of illegal drugs out of the country.

Before his death, Bateman told the Peruvian magazine *Caretas* that the secret to a successful guerrilla insurgency is magic: "I believe that our work needs more passion right now than reason. When people reason, they become pathetically slow, afraid. . . . Science stultifies the world, and stultifies thinking. . . . The traditional left refuses to acknowledge the importance of cults, magical thought, religious manifestations."

When Navarro Wolf took over the M-19, he remained a Bateman follower and never abandoned the Gnostic mysticism and "New Age" outlook of his mentor. In a 1985 interview with the Mexican magazine *Cuadernos Políticos*, he endorsed Bateman's philosophy as the key to recruiting children to the M-19's cultural warfare strategy: "What Bateman said is true: You don't need so much to win over the minds of the people, as you have to win their hearts. . . . Very rapid social dynamics are needed in countries with . . . a youth without hope, which expects nothing from the future. . . . For example, in the [guerrilla] camps, we worked with *gamins*, abandoned children who do not have parents and live in the streets: Thousands of children aged 10, 14, 16; these are the worst of human marginality, because they are marginalized in childhood. Organized in the camps, these children become a factor of tremendous dynamism in the popular struggle. . . . To what do you call all these people? To something quasi-magical, audacious, novel, vital."

Navarro Wolf today denies that he authorized the M-19's attack on the Justice Palace, claiming to have been in Cuba at the time; but back in December 1985 he told *Cuadernos Políticos* that the attack was justified, because the M-19 sought to destroy "one of the last, if not the last, respectable institution which the country has. . . . We evaluated what the Supreme Court meant, in a country which no longer believes in anything, and which only has two institutions left: the Catholic Church and the Supreme Court." To this day he continues to defend the drug-runners who paid for the siege. As the M-19's presidential candidate, Navarro Wolf called for an end to extradition of drug traffickers, legalization of the drug trade, and the conversion of marijuana and cocaine production into "a legitimate agricultural activity." Said Navarro, "If



El Espectador

The M-19, guerrillas now turned "legitimate."

there are no serious solutions on the global level, at least we should aspire to coexist with the problem in the most civilized manner possible.”

With the Colombian government's decision to grant full amnesty and pardon to the murderous M-19 terrorists, the war on drugs was dealt a major blow. The door was now opened to a negotiated amnesty for the cocaine cartels—the Gaviria government's agenda for 1991.

VI. U.S. government agencies support the drug mob

The leading edge of the campaign to force legalization of drugs in Ibero-America is secret dealings between certain high-level intelligence networks in the United States government, and the Cali-based cocaine-trafficking cartel led by Colombian “businessman” Gilberto Rodríguez Orejuela, whose dealings go back several decades, which helps explain why there has never been a successful war waged against Dope, Inc.

The corruption of these intelligence networks is in part revealed in their employment of “former” communist and organized crime circles to conduct their “dirty tricks” in Ibero-America. A classic vehicle for such corruption and destabilization operations has been the American Institute for Free Labor Development known throughout Ibero-America as the Instituto Americano. AIFLD has been described as “one of the more successful CIA ventures, indirectly organizing a very sophisticated collaboration between government, business, and labor, carrying out a clear policy conceived as being in the external interests of the United States,” in the words of CIA chronicler John Ranelagh in his book *The Agency: The Rise and Decline of the CIA*.

The dirty role of AIFLD

AIFLD’s sponsorship—with American taxpayers’ dollars—of drug mafia penetration of the Ibero-American labor movement has been repeatedly documented by *EIR*. In February 1986, *EIR* held a press conference in Washington, D.C. to present the media with that documentation, and to demand an immediate suspension of AIFLD funding by the U.S. government, while an investigation was conducted into the official protection AIFLD’s subversive activities have enjoyed for decades.

AIFLD was founded in 1962, under the auspices of the Alliance for Progress. While ostensibly the international “labor education” arm of the AFL-CIO, AIFLD has always received the bulk of its “official” annual funding from the U.S. State Department’s Agency for International Development. Its formal mandate was to provide an anti-communist counterweight to the influence of Fidel Castro’s revolution within the Ibero-American labor movement. In fact, it was to function as a covert arm of the U.S. State Department in “dirty tricks” ranging from sabotage of nationalist political movements in Ibero-America and elsewhere, to forging alliances with criminal and subversive elements in alleged pursuit of U.S. “national interests.”

In several of the Ibero-American countries in which AIFLD operates, it has created—or attempted to create—"workers' banks," either by providing the seed-money itself or arranging donations from foundations and institutes with which it maintains relations. These banks were designed to serve as laundromats for "dirty money," as financing mechanisms for the dirty tricks in which AIFLD operatives are trained. Colombia and Peru are the exemplary cases.

Colombia: financing the mob's 'Workers' Bank'



Tulio Cuevas Romero

The Colombian Workers' Bank was founded in 1974, with a \$500,000 grant from the U.S. Interamerican Foundation to the Union of Colombian Workers (UTC), whose president at the time was AIFLD trustee Tulio Cuevas Romero. On the advisory board of the Interamerican Foundation sat (and continues to sit) the current executive director of AIFLD, William Doherty, Jr. The UTC was at the time the largest labor federation in Colombia, and Cuevas an influential figure in Colombian political circles.

Within six months of the bank's founding, Cuevas and UTC treasurer Antonio Beltrán began to seek a way of changing UTC statutes to permit the sale of the union's bank stocks to "businessman" Gilberto Rodríguez Orejuela. Beltrán's brother was an employee of Rodríguez Orejuela, as Antonio Beltrán would also become. Although Cuevas was unable to secure legal approval for a change in UTC statutes, he did succeed in making Rodríguez Orejuela a partner in one of the UTC's housing cooperatives—thus qualifying Rodríguez Orejuela for purchase of the bank's stocks. Despite the subsequent sale of UTC holdings in the Workers' Bank to Rodríguez Orejuela, all three—Cuevas, Beltrán, and Rodríguez Orejuela—remained on the bank's board of directors.

Rodríguez Orejuela, one of Colombia's prominent financiers and businessmen, is also a top drug trafficker. While the Medellín-based cocaine cartel of Pablo Escobar and the Ochoa clan was receiving much notoriety over the past decade, Rodríguez Orejuela was quietly building his own substantial trafficking network out of the southwestern city of Cali, which ultimately came to dominate the highly lucrative New York cocaine market, among others. Rodríguez Orejuela has, of course, maintained business ties with the Medellín mafiosi over the years, but that relationship has occasionally turned bloody with the periodic outbreak of "turf wars." Rodríguez Orejuela is wanted in the United States, in at least three different states, on money-laundering and drug-trafficking charges.

According to 1986 revelations in the Colombian press, Rodríguez Orejuela hired lawyer Diego Pardo Koppel in 1979, to argue in a U.S. court in favor of Rodríguez Orejuela's ownership of a wayward suitcase discovered at a U.S. airport, containing a quarter of a million dollars. In 1983, Koppel was named mayor of Bogota, until his infamous client's name surfaced and the scandal forced his resignation. Koppel argued in self-defense at the time that the "1979 model" Rodríguez Orejuela was still a respectable businessman and financier. However, as the press noted, Rodríguez Orejuela's criminal profile was well known to the U.S. Drug Enforcement Administration (DEA) as early as 1976!

Although Rodríguez Orejuela divested himself of his stocks in the Colombian Workers' Bank in early 1984 as his "notoriety" began to spread, his holdings were sold to a close associate and front-man, Rafael Forero Fetcua, a Bogota city councilman who, together with his family, remained a majority stockholder in the bank until the Colombian banking superintendent began investigating him for illegal financial transactions and forced his divestiture. Not long after Rodríguez Orejuela's departure



Gilberto Rodríguez Orejuela, in his youth.

from the Colombian Workers' Bank, it was publicly named as one of four Colombian banks involved in drug-money laundering for one Hernán Botero, a Medellín Cartel-linked businessman and soccer team owner who became the first Colombian extradited to the United States on drug charges. Botero is today serving a 30-year sentence in a U.S. jail. The Colombian Workers' Bank was nationalized in 1986.

Botero, who was based in the drug capital of Medellín, was reportedly the sponsor of Mario Valderrama, the head of the UTC's Medellín affiliate. In fact, when Botero was extradited to Miami, it was Valderrama who traveled to that city to argue Botero's innocence—to no avail. Perhaps as payment, Valderrama took over the presidency of the Medellín Independent soccer team, which has also been accused of ties to the drug trade. In 1986, the U.S. embassy and AIFLD underwrote a UTC convention which named Valderrama as vice president of the national labor federation.

In November 1984, Rodríguez Orejuela was arrested in Spain, along with Jorge Luis Ochoa, number-two man of the Medellín Cartel. In their possession were huge quantities of money, numerous false passports, and a file of documents on Rodríguez Orejuela's cocaine distribution networks for at least the previous two years. The Reagan administration immediately requested extradition of both Rodríguez Orejuela and Ochoa to stand trial on drug-trafficking and conspiracy charges. Within months of the arrests, a delegation of Colombia's leading trade unionists arrived in Madrid to offer testimony on Rodríguez Orejuela's behalf and, one presumes, to collect their payment for services rendered. Those trade unionists prominently included UTC Secretary General Alfonso Vargas and the president of the "rival" CTC labor federation, Manuel Felipe Hurtado. The delegation was organized by Tulio Cuevas's successor as UTC president, Victor Acosta.

Acosta and Vargas—both on the AIFLD payroll—also organized a nationwide campaign starting in 1984 against extradition of Colombian nationals to the United States, and published a statement over the signatures of the entire UTC executive which denounced the Colombia-U.S. extradition treaty in terms nearly identical to those used by the Medellín Cartel. Thus, in effect, U.S. taxpayers' money was used by the State Department, through AIFLD, to finance a mafia-dictated campaign against a binational treaty at least nominally adhered to by the U.S. government.

One of the few U.S. diplomats who was courageous enough to challenge this dirty alliance was then-U.S. Ambassador to Colombia Lewis Tambs. Tambs had sent cables to the State Department, warning that the Cuevas/Acosta/UTC grouping with which AIFLD was working was mob-controlled. Pressures on the controversial ambassador were exerted from Washington, but Tambs, backed by Jim Bell, the embassy's labor attaché at the time, refused to change his line. Tambs's actions enraged AIFLD's Doherty, among others, but his charges apparently made it sufficiently hot for Cuevas, that an investigation into his affairs was begun within the State Department. The results of that investigation, if it was in fact ever concluded, have never been revealed. However, at the 1984 meeting of the AFL-CIO in Miami, Cuevas was quietly and unceremoniously dropped as president of the AFL-CIO's 37 million-member Inter-American Regional Workers' Organization (ORIT), which he had headed since 1982.

Peru: a less successful venture

AIFLD's foothold in Peru was gained through Julio Cruzado Zavala, secretary general of the Confederation of Peruvian Workers (CTP) and, like Colombia's Cuevas, a member of AIFLD's board of trustees. Cruzado's

controller was AIFLD's country director Bernard J. Packer. In 1982, Cruzado and Packer attempted to create a Peruvian Workers' Bank on the Colombian model, the funding for which was to have come from AIFLD and other sources. The bank never got off the ground, however, due to opposition within Peruvian labor circles to Cruzado's notorious mafia tactics.

Sources within the Peruvian labor movement report that standing in the shadows of Cruzado and Packer's banking venture was the now-jailed drug trafficker and cocaine addict Carlos Langberg Meléndez. During Packer's tenure in Peru (1977-83), the AIFLD official reportedly made regular visits to the home of Langberg, along with Cruzado.

Beginning in 1982, and culminating in 1983, Cruzado and Packer's unwholesome alliance was the center of a growing scandal within Peruvian labor and political circles. Cruzado's efforts to turn his presidency of the CTP labor federation into a dictatorship for life were resisted by a faction within the APRA party and its trade union confederation.

AIFLD's funneling of tens of thousands of dollars into the CTP was denounced by nationalist trade union forces, but worse was the charge that Cruzado, who received the funds through Packer, an officially designated CTP adviser, was pocketing the money instead of investing it in CTP activities. Memos written by Packer to AIFLD headquarters were published in the Peruvian press, including his profiles of various Peruvian trade unionists and their designation by Packer as "troublemaker," "untrustworthy," and so on, prompting furious charges of intervention in the internal affairs of Peru.

The fact that Packer's office telephone was directly linked to the U.S. embassy, clinched the matter. Following a public brawl in which Packer was accused of being a CIA agent and Cruzado "a traitor to the working class," Packer was recalled from Peru and Cruzado suspended from the APRA party, of which he had been a representative in the Peruvian Senate. Cruzado retained his fiefdom in the CTP, however, and his "special relationship" to AIFLD continues to this day. Packer went on to represent AIFLD in El Salvador, where his efforts were devoted to "undermining the declared goals" of then-President José Napoleón Duarte, according to Salvadoran labor leaders and Christian Democrats cited in a March 20, 1985 *Washington Post* article. Packer was ultimately recalled from El Salvador also, and sent to Colombia.

Justice Department criminals

U.S. government complicity with drug-related elements does not, unfortunately, stop with AIFLD's subversive activities. In a front-page article in the *Washington Post* Oct. 2, 1989, it was revealed that Michael Abbell, a former senior official of the U.S. Department of Justice, has been the primary attorney for the Cali cocaine cartel in the United States since leaving his DoJ post in 1984. In that year, Abbell traveled to Spain to testify before the Madrid courts that Rodríguez Orejuela should not be extradited to the United States, because his former employer, the Justice Department, had filed faulty papers against his client. The U.S. extradition petition was turned down by the Madrid court of appeals—allegedly following multimillion-dollar payoffs by Ochoa—and Rodríguez Orejuela and Ochoa were both sent to Colombia, where they were ultimately set free.

It is Abbell's expertise on matters of extradition that has made him indispensable to the Cali Cartel. From 1979 to 1984, he served as acting director and deputy director of the International Affairs section of the DoJ's Criminal Division. That section is in charge of all criminal investigations or prosecutions which have an international dimension, including

"The people in Cali are adamantly opposed to any violence. . . . My impression is you can work with these people."—Michael Abbell

all narcotics and arms-smuggling cases and extraditions. Abbell has reportedly traveled to Colombia at least six times in recent years to advise his Cali Cartel clients on extradition concerns.

The October 1989 *Washington Post* article also revealed that Abbell had been lobbying the U.S. Congress and legal establishment for the previous month or more to try to overturn the Colombia-U.S. extradition treaty—this time from the U.S. side. It quoted Abbell presenting a "compromise" offer from his clients in Colombia, whereby they would be tried and sentenced in the U.S., but returned to Colombia to serve their time. Abbell argued in favor of the offer by describing his clients in the Cali Cartel as "mainstream" and "legitimate" businessmen, who employ 5,000 people in pharmacies, banks, and other companies. He urged that they not be lumped together with the Medellín traffickers. "The people in Cali are adamantly opposed to any violence. . . . My impression is you can work with these people," he stated.

This myth, that there is a significant difference between the Cali and Medellín cartels—the "good" guys versus the "bad"—is key to the legalization strategy of pro-drug forces in both countries. That strategy is designed to get both the Colombian and U.S. governments to drop all idea of crushing the drug trade, and to strike a deal with the cartels instead. Supposedly, the argument goes, one can deal with traffickers who are "businesslike," tied to Colombia's respectable old families, and who eschew violence and leftist guerrillas. The Medellín Cartel, on the other hand, is composed of dressed-up street thugs with a penchant for fancy cars, who would sooner shoot you than talk to you, and whose relations with Cuba, Nicaragua, Libya, and their terrorist offspring make them too "untrustworthy" for gentlemanly negotiations.

This line is not only regularly promoted in the U.S. press, but also in Colombia. On Oct. 1, 1989 the *Baltimore Sun* quoted a spokesman from Colombia's Department of Administration Security (DAS), who said that no arrest warrants have been issued for any Cali Cartel chieftains because they are not wanted for any crimes committed inside Colombia. Concluded the *Sun*, there are some in Colombia who believe that only "revolutionary violence" and not the drug trade itself is a problem.

The only thing wrong with such an argument is that it is patently absurd. Divisions among the various cartels operating in Colombia—those of Cali, Medellín, and La Uribe, the latter run by the communist Revolutionary Armed Forces of Colombia (FARC)—are important only when the drug trade is viewed at the lowest level of on-the-ground operations. When the trade is examined from above, as the integrated global business that it is, manipulations of such divisions can be seen as little more than tactics within an overall strategy for global legalization of drug production, trafficking, and consumption.

The State Department's Contra connection

High-level U.S. government complicity with the Medellín Cartel is a documented fact. A December 1988 report issued by the U.S. Senate Foreign Relations Committee on "Drugs, Law Enforcement, and Foreign Policy" details the U.S. State Department's hiring of at least four companies "owned and operated by narcotics traffickers" to supply the Nicaraguan Contras. Among them was the Honduran-based SETCO Air, a company established by "Class I DEA violator" and Medellín Cartel associate Juan Ramón Matta Ballesteros, today sitting in a U.S. jail and facing both drug-trafficking charges and charges of complicity in the 1985 assassination in Mexico of DEA agent Enrique Camarena. Between January and August 1986, SETCO was paid \$185,925.25 by the State Department for "air transport services." Prior to its State Department

"In each case, prior to the time that the State Department entered into contracts with the company, federal law enforcement had received information that the individuals controlling these companies were involved in narcotics."—U.S. Senate Foreign Relations Committee

Panama: Bush installs a narco government

contract, SETCO had a lucrative supply contract with the Honduran-based Contra group Nicaraguan Democratic Force (FDN), going back to 1983.

The Senate report states, "In each case, prior to the time that the State Department entered into contracts with the company, federal law enforcement had received information that the individuals controlling these companies were involved in narcotics."

The same report charges that the Costa Rican ranch of Indiana farmer John Hull was used for both Contra supply drops and refueling of cocaine-trafficking flights. Hull, according to the report, was paid \$10,000 per month by the FDN for his services, out of accounts set up by National Security Council staffer Lt. Col. Oliver North.

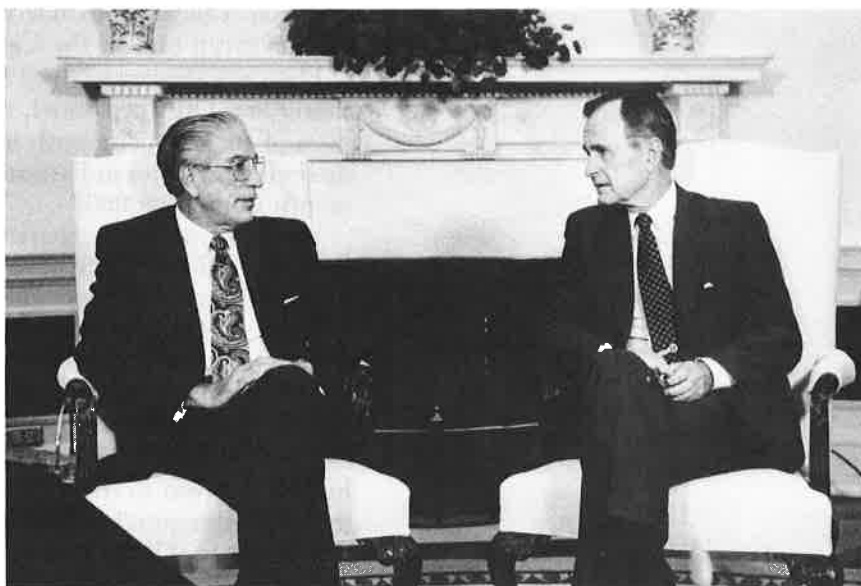
The Medellín Cartel has also made its bid to play the part of the "good guys." Gonzalo Rodríguez Gacha, the Medellín Cartel leader killed in a late 1989 shootout with the Colombian police, had reportedly declared war on the Communist Party's various organizations in Colombia, in order to win points for the cartel with the anti-communist Reagan administration. And, in late 1986, according to *The Kings of Cocaine*, the cartel met with a Miami lawyer chosen to transmit a cartel proposal for negotiations with the U.S. administration. The proposal, in a nutshell, was that the cartel would deliver "the goods" on communist personnel, arms shipments, and operations from Mexico to Colombia, in exchange for amnesty for themselves, and an end to any extradition proceedings against them. The cartel requested that several agents from the CIA or FBI—not DEA, they specified—should come to Colombia to "open negotiations." Their safety would be guaranteed, assured the cartel.

The Kings of Cocaine authors conclude that the offer "died a quiet death" in Washington, D.C. "No one in the U.S. government wanted any part of the cartel's gambit." However, authoritative sources in Colombia reveal that the "capture" of Medellín Cartel wild man Carlos Lehder in February 1987, and his extradition to the United States just a few months after the cartel's latest amnesty bid, was, in fact, a "good faith" demonstration by the Medellín Cartel of their readiness to strike a deal with the Reagan administration.

In March 1985, Panamanian authorities intervened against First Interamericas Bank, S.A. (FIB), shutting it down for "failure to heed Panamanian banking laws" and for unexplained transfers of funds abroad—that is, for laundering drug money. The two majority stockholders in First Interamericas were Rodríguez Orejuela and his partner, Jorge Luis Ochoa, both of whom were by that time sitting in a Madrid jail cell. Managing the bank at the time of its seizure was former UTC treasurer and Colombian Workers' Bank director Antonio Beltrán.

Even more interesting were some members of FIB's board of directors, who today are running the new U.S. Army-installed government of Panama. Puppet President Guillermo Endara has named Carlos Lucas López Tejada as Chief Justice of Panama's Supreme Court, Rogelio Cruz as Attorney General, and Mario Galindo as Treasury Minister. All three—López Tejada, Cruz, and Galindo—sat on FIB's board of directors. Cruz remained loyal to Rodríguez Orejuela to the end. Even after it was made public that Rodríguez Orejuela was the owner of First Interamericas, Cruz continued to appeal the government's decision to shut down the bank. The appeal was turned down in April 1985.

President of First Interamericas was Jaime Arias Calderón, the brother of Endara's first vice president, Ricardo Arias Calderón. Ricardo's banker



Drug bankers are wined and dined at the White House. Here, Panama's Guillermo "Billy" Ford is received by President Bush on Sept. 20, 1990. Ford is the second vice president of the U.S.-installed Panamanian government.

brother is also one of the owners of Banco Continental, which has served as a conduit for financing the election campaigns of Ricardo's party, the Christian Democrats. In 1985, a captured Colombian drug-runner confessed that he had laundered some \$40 million for Colombian drug cartels through the Banco Continental—with the full knowledge of another opposition leader, César Tribalbos, who sat on the board of Banco Continental.

Named to run the Colón Free Zone by the Endara regime was Jaime Ford Lara, nephew of Panama's Second Vice President Guillermo ("Billy") Ford. According to the *Miami Herald* Jan. 5, 1990, convicted Medellín Cartel money-launderer Ramón Milián Rodríguez "laundered millions of dollars in drug money in the early 1980s through a Panamanian company in which Ford's brother Henry was an officer." The *Herald* added that Milián Rodríguez, currently serving a 43-year racketeering sentence, said that "Guillermo Ford was also involved with laundering money through Corporación Ford."

EIR also reported on Jan. 5, 1990 that "Second Vice President Guillermo 'Billy' Ford is up to his elbows in drug money laundering." Ford and two political associates—Carlos Rodríguez, named by Endara as Panama's ambassador to Washington, and Roberto Eisenmann, publisher of Panama's leading pro-government newspaper, *La Prensa*—own the Dadeland National Bank in Miami, Florida. That bank was revealed in 1985 to have served as a laundromat for one of the largest marijuana-smuggling rings ever caught in the United States, that of Antonio ("Tony") Fernández. Eisenmann also sits on the board of Banco Continental.

Guillermo Endara himself is business partner to a leader of Panama's former opposition who was caught red-handed in the dope trade, CIA bagman Carlos Eleta Almarán. Besides being the corporate attorney for the Eleta family's considerable interests, Endara owns significant stock in, and sits on the board of, Harinas Panama, S.A.; Carlos Eleta is the company's president and founder. Eleta had served as the intermediary of



Guillermo "Porky" Endara

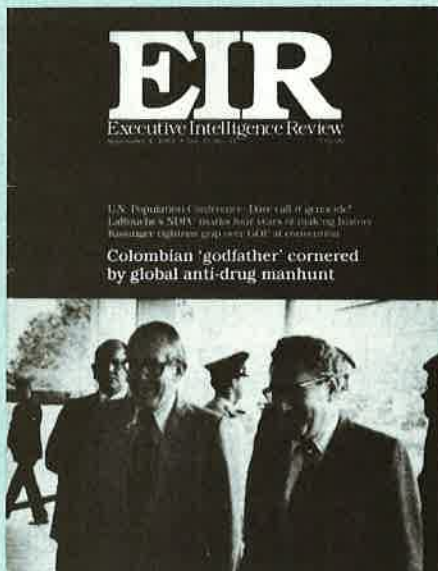
the U.S. campaign to buy the 1989 Panamanian elections, with \$10 million given him by the Central Intelligence Agency.

Eleta was arrested in April 1989 in Macon, Georgia by the Bibb County sheriff and DEA personnel, and charged with conspiring to import 600 kilos of cocaine per month into the United States, and planning to set up shell companies in Panama to launder the estimated \$300 million per month in drug profits.

Justice Department charges against Eleta were suddenly dropped on Feb. 13, 1990 for "lack of proof," despite claims of the authorities who had conducted the arrest that proof certainly did exist, including audio- and videotapes of Eleta's efforts to set up the dummy corporations for money laundering. Asked why the indictment was dropped, the police answered that "that decision was made by the U.S. Attorney General and by the federal prosecutor of Georgia," Ed Ennis.

Eleta's lawyer in the case was Gregory B. Craig, who has significant links of his own to the U.S. intelligence community. Craig is a partner in the Washington law firm of Williams and Connolly, the firm of Oliver North's counsel Brendan Sullivan. In 1967, Craig was the head of student

Kissinger's China card: the drug connection



"Colombian 'godfather' cornered by global anti-drug manhunt": EIR's cover story of Sept. 4, 1984 showed Alfonso López Michelsen and Henry Kissinger at the State Department in 1975.

Joaquín Vallejo Arbeláez, lawyer for Colombia's Medellín cocaine cartel, revealed in October 1989 that the drug runners had considered hiring Henry Kissinger as a lobbyist in Washington, to convince the U.S. government to make a deal with them. Kissinger's office, when asked about the matter, has never denied that report, or indicated what the outcome was of any such probes.

There is nothing properly surprising about the fact that Kissinger's name would be proposed for such a job. Through his global influence-peddling firm, Kissinger Associates, Inc., among other connections, Kissinger has profited from the drug trade, notably from the fact that Communist China is the world's leading producer of heroin. The "China card" policy which he launched as President Nixon's national security adviser nearly 20 years ago, is in fact the license that has allowed Beijing to continue to run drugs, undisturbed.

In June 1989, as the Red Chinese tanks rolled over students in Beijing's Tiananmen Square, Kissinger went on a media offensive to denounce the students as a chaotic element that threatened the reform program of Communist leader Deng Xiaoping. Kissinger, along with two of his closest associates and business partners, National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger (both formerly of Kissinger Associates), urged President Bush to act with "caution," not to upset the "China card" policy.

Kissinger's coverup of the Red Chinese role in peddling opium, morphine, and heroin began in the 1960s, just as Beijing was introducing American GIs to these drugs in Vietnam at rock bottom prices. In the words of Kissinger's friend Chou En-lai (spoken at a drug war-lord conference in 1968), the aim was "to soften U.S. combat capability and defeat them without fighting."

Kissinger secretly traveled to Beijing to play the "China card" in 1971. Rep. Seymour Halpern (R-N.Y.), who then toured Vietnam, reported back to Congress in June 1971, that by a conservative estimate, 60,000 GIs were then using hard drugs. The U.S. military newspaper *Stars and Stripes* cited CIA estimates at that time, that the Chinese Communists had netted \$1 billion from selling drugs in Southeast Asia in the previous five years.

government at Harvard University and worked with Allard K. Lowenstein to redirect the anti-Vietnam War movement into channels led by intelligence community factions. Lowenstein, in turn, had been president of the National Student Association in the late 1940s, when it was a key conduit for CIA funding. Craig is the son of retired Stanford University professor Gordon Craig, who served in the CIA's predecessor, the OSS, during World War II.

One question that has recently arisen concerning Craig's role is whether the Bush administration used Panamanian government funds to get the drug-trafficking Eleeta off the hook. According to official U.S. documents, Craig was a registered agent of the fictitious Florida-based "government" of Eric Delvalle, and in that capacity had received in 1989 tens of thousands of Panamanian government dollars that had been illegally seized by the Bush administration as part of its economic warfare against Panama. The Delvalle "government" fiction had, in fact, been kept alive, among other reasons, to provide a conduit for funneling Panamanian monies to U.S. cronies and agents inside Panama.

A CIA investigation of the origin of these drugs coined the term "Golden Triangle" for the area where the opium was being produced, a region that included Yunnan Province in Communist China. Kissinger, as national security adviser, forced the Agency to redraw the map so that Red China was excluded.

As the late Rep. John Ashbrook (R-Ohio) noted, "When the President journeyed to Red China, many of us who had observed the Red Chinese participation in the opium traffic hoped that at least Mr. Nixon would pressure the Red bandits to stop this illicit contribution to world misery. . . . It now appears that Mr. Nixon never even broached the subject . . . to Mao or Chou. Henry Kissinger vetoed bringing up the issue because it would have been too explosive at the initial meeting."

Good business

A look at a few of the clients of Kissinger Associates, Inc. shows how Kissinger has profited from the Communist drug trade:

Midland Bank PLC. This London bank, a major holder of Ibero-American debt, has also been intimately involved with the Hongkong and Shanghai Banking Group. The "HongShang" was identified by EIR in its book *Dope, Inc.* as the main financier of opium cultivation in the Golden Triangle and the chief beneficiary of money-laundering from this traffic. In 1987, the HongShang bought 14.9% of Midland Bank for \$714 million.

On Aug. 27, 1987, Crocker National Bank of San Francisco, a subsidiary of Midland, was slapped by the U.S. Treasury Department with a fine of \$2.25 million for failure to report currency transactions totaling \$3.98 billion, of which \$3.43 billion involved six Hong Kong banks, including the HongShang. Treasury officials linked this money laundering to illicit narcotics traffic from the Golden Triangle.

Chase Manhattan Bank. Sources at the bank report that Kissinger is their key adviser on investment in China and that he works on this question with Sir Y.K. Pao, who was formerly vice chairman of the HongShang. Pao was identified by *Dope, Inc.* as one of the leading Hong Kong-based Chinese involved in the dope trade with Beijing.

VII. The legalization lobby: making crime pay

The Western financial Establishment's current timetable is to achieve a global legalized narcotics "industry" before the end of the 1990s.

A difficult proposition? Yes, but at this point not an unlikely one, if the American people continue to tolerate discussion of legalization as a viable "option," continue to elect increasing numbers of legalizers to public office in the United States, and continue to tolerate policies which for more than 20 years have *deliberately* fomented drug use and the drug trade at home and abroad.

Many people underestimate the legalization lobby, dismissing it as a bunch of dope users on the fringe of U.S. politics. Those with longer memories might be more cautious, remembering that under Jimmy Carter's presidency, legalization of marijuana and cocaine was espoused from the White House itself. Under Carter's impetus, 11 states decriminalized marijuana use, and drug use soared. Eighteen months after marijuana was decriminalized in New York state, marijuana consumption in the state's high schools had increased by 300%. By the latter part of Carter's term, anti-drug officials reported that the increase in marijuana use among young people nationwide had soared "off the charts," as an estimated one out of nine American high school seniors was reported to smoke marijuana *every day of the high school year*.

The explosion in consumption was not limited to marijuana. Cocaine "experimentation" rose to 10% of the high school age group in New York state. A 1980 nationwide survey on cocaine use by high school seniors found that cocaine use had *doubled* between 1975 and 1980.

The pro-drug binge was not limited to domestic affairs. Assistant Secretary for Narcotics Control Matters at the State Department for most of the Carter years was Mathee Falco, a member of the Advisory Board of the National Organization for the Reform of Marijuana Laws (NORML), the primary legalization advocacy group in the United States.

Dr. Peter Bourne, a founding member of NORML who served on NORML's advisory board, was named head of the Office of Drug Abuse Policy in the White House. Bourne stayed at that post until he was forced to resign after being caught writing illegal Quaalude prescriptions for White House personnel!

The unmistakable message to the rest of the world: Don't worry about the United States; if you want to grow dope, the U.S. wants to grow it,



High Times, mouthpiece of the seedier side of the drug-legalization movement.

Shultz gives the signal

too. Not surprisingly, it was during the Carter years that marijuana cultivation in Colombia trebled in size, at the same time that the infrastructure for the cocaine boom which was to explode in 1980 was methodically built up in Colombia, Peru, and Bolivia.

Many assume, however, that that problem was resolved when the Reagan administration came into office. The assumption is wrong, and dangerously so. The legalizers laid low in public for some time, but they continued their steady advance.

The legalization lobby forms an integral part of global drug-trafficking, providing vital political, propagandistic, and legal protection for the drug cartels and their money-launderers, without which the cartels could not function with the impunity they now enjoy.

Of course, such plain old drug-users as the producers of the sex-drug magazine *High Times*, provide many of the activists of the legalization lobby. The lobby's power does not come from them, however, but from the leaders of the financial Establishment.

The names of these legalizers are all too familiar: Former Secretaries of State Cyrus Vance and George Shultz, former Secretary of Defense Robert McNamara, former National Security Adviser McGeorge Bundy, former Attorney General Elliot Richardson, are just a few of the Establishment leading lights who have become public advocates of legalization.

Enjoying this level of protection, legalizers have penetrated and corrupted all levels of government in the United States. Some of those legalizers in government are overt about their policies; others remain silent at their posts, poised to aid the final assault by the legalizers when the political climate has been prepared.

The time has come to root them out. This chapter provides a dossier on who in the United States promotes the legalization lobby, how that lobby operates, and what its actual goals are.

The final assault of the drug legalizers is not long off. In October 1989, former U.S. Secretary of State George Shultz stepped forward to demand that narcotics legalization be placed on the immediate political agenda of the United States.

The time has come to "make it possible for addicts to buy drugs at some regulated place at a price that approximates their cost," Shultz told an alumni gathering Oct. 7 at the Stanford Business School, where he now teaches. Shultz argued that the "criminal justice approach" to fighting drugs has failed, because what drives the drug trade is simply the economic marketplace. "These [criminal justice] efforts wind up creating a market where the price vastly exceeds the cost. With these incentives, demand creates its own supply and a criminal network along with it. . . . We're not going to get anywhere until we can take the criminality out of the drug business. . . . We need at least to consider and examine forms of controlled legalization of drugs," Shultz stated. He urged his audience to read an article advocating legalization appearing in *Science* magazine in September 1989, authored by Ethan Nadelmann, who pushed for dope legalization for more than a decade.

Shultz said that he had set out to break the taboo about drug legalization, so that politicians could follow suit. "I feel that if somebody doesn't get up and start talking about this now, the next time around, when we have the next iteration of these [anti-drug] programs, it will still be true that everyone is scared to talk about it [legalization]," Shultz declared.

Shultz's speech was only his opening shot.

On Oct. 27, 1989, the *Wall Street Journal* featured his remarks on its editorial page, in a box entitled "Shultz on drug legalization." On Nov.



George Shultz

2, Shultz sent a telegram of greetings to the opening of a three-day conference on drug legalization organized by the Drug Policy Foundation and the International Anti-Prohibitionist League in Washington, D.C. These two associations had been founded two years before to upgrade the image of the legalization lobby from long-haired Yippies, to a more "respectable" look.

The telegram from Shultz revealed that his promotion of Nadelmann's legalization work was no casual reference. Nadelmann informed conference attendees that Shultz had volunteered to serve as pointman for Drug Policy Foundation organizing in government layers, promising Nadelmann that he would "refer people to you who are interested in supporting reform of current policy."

Shultz's statements were a signal to other former government officials to come out for legalization, Nadelmann stated. "I can't give you names yet, but I am receiving telephone calls every day from people who support this position but who are not ready to do so in public. I have spoken to a federal judge in New York who is willing to solicit signatures from his colleagues in support of a public statement urging legalization. We will run this in newspapers across the country."

Ira Glasser, executive director of the American Civil Liberties Union, explained to the conference: "When they see something like Shultz's statement, it encourages them to put a toe in the water . . . and they'll talk to someone like Nadelmann." Both Shultz and Nadelmann are Princetonians.

Even members of the Bush administration were embarrassed by Shultz's image; the former secretary's legalization beliefs "might explain the reluctance of the State Department to support" the Bush administration's anti-drug posturing, then-Drug Policy Coordinator William Bennett commented.

Former Drug Enforcement Administration (DEA) chief John Lawn, speaking at Quantico, Virginia, noted that Shultz "made exactly one speech on the subject [of drugs] during his entire tenure at State, and that was during a time when we were trying to convince other governments that this was a priority issue."

George Shultz: Kissinger's 'Mr. Fixit'

The surfacing of Shultz, a friend of Henry Kissinger, at the head of the legalization campaign is a big signal indeed, that the Establishment has decided to go for broke on legalization. Twice Shultz had been drafted into government service during lengthy terms in the Nixon and Reagan administrations, each time to stage-manage fundamental shifts in United States policy demanded by the Liberal Establishment. His efforts, in each case, helped create global economic and political conditions which favored the development of the profitable drug trade.

By profession, Shultz is a monetarist economist with a background in group dynamics provided by members of London's psychological warfare center, the Tavistock Institute. In 1962, Shultz replaced his friend and mentor W. Allen Wallis as dean of the Graduate School of Business at the University of Chicago, a school notorious for promoting fraudulent "free market economics" and the fanatical belief that moral considerations cannot be allowed to affect "the market."

Shultz, like Wallis, had been a friend of the other economist who made the Chicago School famous, fellow legalizer Milton Friedman. Both Wallis and Friedman were prominent founders of the Swiss-based

"We're not going to get anywhere until we can take the criminality out of the drug business. . . . We need at least to consider and examine forms of controlled legalization of drugs."—George Shultz

economists association called the Mont Pelerin Society, whose role in promoting drug legalization we will return to later in this chapter.

Once in government service, Shultz quickly became Kissinger's most influential collaborator in Washington from 1971-76, during the heyday of Kissinger's official power in government.

Shultz's first job in Washington was that of secretary of labor, the post to which President Nixon named him in 1969, in which he served for 18 months. Shultz was shifted to more direct control of economic policy in 1970, with his appointment as the first director of the Office of Management and Budget, a bureaucracy set up to effect the most decisive reorganization of Executive Branch economic policymaking in the postwar period.

From that post, Shultz participated in the conspiracy by an inner group of advisers, to convince President Nixon to take the dollar off the gold standard. In his 1977 book, *Economic Policy Behind the Headlines*, Shultz outlines step-by-step how he orchestrated that fateful decision, together with National Security Adviser Kissinger, Undersecretary of the Treasury Volcker, and others.

Nixon's announcement on Aug. 15, 1971, that the value of the dollar would henceforth be set by the floatings of the international market, collapsed the fixed exchange rate monetary system which had been established at Bretton Woods at the end of World War II, and ushered in an era of financial instability and speculation from which the world has yet to recover.

Shultz later dubbed the era which ensued "the Age of Ambiguity." The reorganization of the international monetary system to favor speculative profits over physical production accelerated the collapse of world trade, and thus industrial and agricultural production worldwide, setting the stage for the dramatic expansion in the dope trade in the developing sector after 1976.

The decision to float the dollar also led to the rapid expansion of the so-called Eurodollar market, that vast pool of dollars circulating through "offshore" banking centers out of reach of government regulation. These offshore centers soon became notorious as the principal centers for laundering of the billions of illegal dollars generated by the drug trade.

After Shultz successfully handled many of the private arm-twisting negotiations with U.S. allies in Europe and Japan after the shock of President Nixon's unilateral action, he was rewarded by being named secretary of the Treasury in 1972. From that position, he also oversaw the work of the U.S. Customs Service, then in the front line of anti-drug efforts of the Nixon administration. In 1973, he was elevated to a newly created cabinet-level post of Assistant to the President for Economic Policy. Although he left government service in 1974, according to his own testimony, Shultz continued to serve as a back-channel negotiator for Kissinger until 1976.

Fifth column within the Reagan team

Shultz's return to government in mid-June 1982, when he was named secretary of state for the Reagan administration, also brought about the return of Kissinger to official Washington. As soon as he was sworn in, Shultz began holding private meetings with Kissinger on how to reorganize the Reagan team to suit their planned redirection of administration policy. This round of talks culminated in a seven-and-a-half-hour meeting on July 17 in which, according to White House sources, Kissinger outlined the personnel changes needed at the State Department.

For six years of the Reagan administration, closet drug legalizer Shultz exercised enormous power over all policy, extending his control beyond his official duties as secretary of state. His success at defeating such frequent opponents as Defense Secretary Caspar Weinberger, whenever policies came to a dispute, is well known. No wonder the Reagan administration never went much further in the War on Drugs than calling upon youth to "Just Say No"!

Shultz made sure that U.S. diplomatic and economic policy never wavered from the insane strategy of applying unrelenting pressure upon U.S. allies to implement International Monetary Fund (IMF) policies, no matter what the cost, or the effects. The result of Shultz's policy was that the drug trade consumed the productive economies of Ibero-America.

Shultz was also the enforcer of the policies known as "Project Democracy," which turned U.S. power against military institutions in allied countries, in the hypocritical name of concern for "human rights." Under Shultz, the military, and not the narco-terrorists, were labeled a threat to U.S. interests.

From Project Democracy also stemmed the disastrous Contra policy in Central America, which dictated that U.S. diplomatic, military, and economic aid be extended, not to U.S. allies in the region, but primarily to the Contras, a mercenary force whose leadership has been documented to be a part of the drug-trafficking networks of the Colombian-based cartels. Shultz did not deny that the Contras ran drugs; he just dismissed that activity as irrelevant. When questioned by the House Budget Committee on Jan. 28, 1987 about reports of Contra drug running, Shultz answered, "I don't want to say that there has been no instance in which anybody involved with [the Contras] ever had any contact . . . [but] whatever problem there is, is quite under control." (For further details, see EIR's Special Report "Project Democracy: The Parallel Government Behind the Iran-Contra Affair," April 1987.)

Perhaps no policy exemplified better Shultz's support for the drug trade than his policy against Panama. While being studiously silent on the War on Drugs, Shultz was most vocal in leading the attack against Panama's Gen. Manuel Antonio Noriega, a man who, until Shultz's days, was highly praised by U.S. DEA officials as a collaborator in U.S. efforts to hit the dope trade in the Americas. As serious anti-drug fighters in the United States complained, Shultz's anti-Noriega obsession made a farce out of all anti-drug programs the United States attempted to carry out in the region.

Shultz sought instead to return Nicolás Ardito Barletta, one of his former economics students at the University of Chicago, to the helm of the Panamanian state. Barletta had been President of Panama for a brief time (1984-85), until he resigned in the face of overwhelming opposition to his IMF-dictated policies. Shultz blamed General Noriega for his former student's ouster.

Barletta's special qualification for the office, from Shultz's standpoint, was his role in establishing the offshore banking center in Panama, which rapidly became one of the leading offshore centers in the world in the wake of the August 1971 destruction of the gold exchange standard. Barletta returned to Panama after receiving his doctorate under the direction of Shultz, to assume the post of director general of Panama's Bureau of Planning and Administration in 1968. Barletta's primary project there was the design of the new offshore banking center. Until 1978, Shultz's protégé oversaw its functioning, ensuring, as Barletta bragged to the *Wall Street Journal* in 1982, that his banking code had made Panama's center "more secret than Switzerland."

When U.S. congressmen protest that Panama's banking regulations facilitated drug money-laundering, they should thank George Shultz.

Inter-American Dialogue: Establishment drug legalizers



Sol Linowitz

While in office, Shultz was careful not to make public his support for dope legalization. That did not stop him from using his office, however, to help bring into being, and then support, one of the most important institutions in the Americas involved in protecting the drug trade and its proceeds today, the Inter-American Dialogue.

The Dialogue was founded about four months after Shultz was named secretary of state, under the direction of the former chairman of Xerox Corp., Sol Linowitz.

Linowitz was no stranger to Ibero-American policy; he had served as U.S. ambassador to the Organization of American States (OAS) under Lyndon Johnson, and chaired the U.S.-Latin American Commission in 1976, which drafted the policies toward the region carried out by the pro-dope Carter administration. A board member of Marine Midland Bank and partner in the international law firm Coudert Brothers, Linowitz also qualified as a member of the Liberal Establishment in the United States.

Linowitz's new Dialogue group had a more ambitious purpose than his 1970s commissions. This time, the idea was to bring together in one body prominent Establishment policymakers from the United States, and bankers and political leaders from Ibero-America who shared the degenerate worldview and economic policies of their U.S. counterparts. The Dialogue thus could serve as a semi-permanent non-official channel through which to ensure that the Establishment's policies were imposed on the governments of the Americas.

Making up its ranks were the top drug bankers, Moscow appeasers, and even self-proclaimed satanists of the Western Hemisphere. On the U.S. side, the 24 members were heavily drawn from the Trilateral Commission, among them David Rockefeller, Elliot Richardson, Cyrus Vance, McGeorge Bundy, and Robert McNamara. The 24 Ibero-Americans included Shultz's Panamanian friend "Nicky" Barletta and former Colombian Finance Minister Rodrigo Botero (whose role in the drug trade is reported in Chapter 4).

"We have a chance, working together, to look into the future . . . to think hard and carefully about the kind of tomorrow we want in the Americas, and how to achieve it," Linowitz explained at the founding meeting of the group Oct. 15-16, 1982.

There to give his stamp of approval and to "exchange views" was Secretary of State Shultz. "He expressed the hope that the Dialogue . . . will lead to greater understanding. The secretary asked participants in the Dialogue to keep him informed of its progress," stated the flyer issued by the Smithsonian Institution's Wilson Center, which sponsored the first meeting.

The Dialogue's "principal recommendations" for the governments of the Americas focused on those policies which could most efficiently eliminate sovereignty in principle and practice from the hemisphere: tightening IMF conditionalities over the economies of the region, bargaining away Central America's future with Moscow, handing millions of refugees and immigrants over to supranational institutions, reinforcing supranational institutions generally in the region.

In 1982, however, open support for drug legalization would have been suicidal. President Reagan had been swept into office in large measure as a result of the backlash by outraged citizens against President Carter's liberal drug policies. So, in their first report, the Dialogue did not even

footnote the existence of the drug empire, even though it already represented a major threat to several governments in the region.

Breaking down the taboos

Things had changed by the end of Reagan's first term, however. A mood of demoralization was growing across the United States, and the professional legalizers set out to prepare their return to open power. *EIR* investigators were told by legalizers working for the Libertarian Party's Cato Institute in Washington in late 1985 that the lobby had developed a new strategy and timetable.

The key to breaking down the public will was to first remove the stigma that surrounds even the mention of drug legalization as an option, the legalizers argued, explaining that while it was unlikely that drug legalization would be acceptable to public opinion by the end of the second Reagan administration, discussion of legalization as a legitimate option must be.

Once legalization is tolerated as an idea, the dominant anti-drug sentiment of today can then be buried, if the media and pro-legalization politicians constantly hammer away on the theme that the drug trade is too big and too formidable to defeat, these sources elaborated. That accomplished, we may speak hopefully again of the prospect of legalizing drugs in the United States during the administration which immediately follows that of Reagan, they concluded.

Not six months after that private report, Shultz's friends in the Inter-American Dialogue issued the script for how that strategy was to be implemented. The *Report of the Inter-American Dialogue* issued in April 1986 announced that the time had come to discuss legalization openly as an alternative for the Americas in the face of all the costs and difficulties of fighting a war on drugs. The report argues:

The war against narcotics in the Hemisphere will be long and difficult. . . . The problem will persist for some time to come, and we had best prepare ourselves for a long battle. . . . Readiness to explore fresh approaches, including some not now on the political agenda, [are needed. A regional body dealing with drugs could] explore new approaches. Because narcotics is such a formidable problem, the widest range of alternative approaches must be examined, including selective legalization. It may be useful, for example, to consider policies that distinguish between the damage caused by the use of narcotics per se, and the harm that results from the illegality of drugs. . . .

[We] are well aware of the risks of making dangerous drugs available legally, and are not ready ourselves to advocate it. . . . The illegality of drugs, however, makes the damage greater for both the addicts and the societies of the Americas. . . . If selective legalization could reduce the enormous profits derived from drug trafficking, it would decrease vice and corruption.

The report acknowledged that legalization would probably increase drug consumption. Whereas today there are an estimated 25 million regular drug users today in the United States, under legalization the number may well rise to as many as 60 million, the report stated bluntly. That would mean that about one out of every four Americans would be a regular user of drugs. Nonetheless, the Dialogue urged that legalization be placed on the Hemisphere's agenda immediately.

"If selective legalization could reduce the enormous profits derived from drug trafficking, it would decrease vice and corruption."—Inter-American Dialogue



Elliot Richardson

Stuart Lewis

Every member of the Dialogue group was given an opportunity to disagree with the report's conclusions. While several protested other recommendations not to their liking, *no one* disagreed with drug legalization. Several members of the Dialogue, including Brazilian Roberto Civitas, owner of one of the largest editorial houses in Brazil, and Peruvian Javier Silva Ruete, a senator on the board of one of Lima's major dailies, returned to their respective countries to campaign for drug legalization.

The next report issued by the Dialogue, *The Americas in 1988: A Time for Choices*, made clear that the group's promotion of drug legalization was not a passing concern, nor a sideline issue for Shultz's friends. Not only did the Inter-American Dialogue repeat their call for drug legalization, but member Elliot Richardson chose to emphasize that policy at his Washington, D.C. press conference called to announce the release of the report on April 28, 1988.

Here the public was treated to the spectacle of a former attorney general and secretary of defense of the United States insisting that "cost-benefit" analysis, not morality, determine narcotics policy. "We must be willing to face the facts. If the cost of trying to stop drugs outweighs the benefits at some point, it no longer becomes realistic to continue trying," Richardson argued.

The report did reflect the effect of public heat against legalization. The Catholic Archbishop of Panama, Marcos McGrath, who had signed the 1986 report without reservation and later confirmed to *EIR* that he supported the call for discussion of drug legalization, quit the Dialogue before its 1988 report was issued. McGrath's friend Nicky Barletta, another unreserved signer in 1986, suddenly considered it politically expedient to distance himself somewhat from the campaign. He attached a reservation to the 1988 report, asserting that he does "not believe that addictive drugs which have been proven to damage human health can be legalized."

The Dialogue also opted to advocate "selective legislation," instead of "selective legalization"—a rather fine semantic difference!

Repackaging did not change the content. *A Time for Choices* argued:

It may also be useful to begin distinguishing among different drugs. Social attitudes toward marijuana vary greatly from those toward heroin, for example. And the consequences for users and for society as a whole are vastly different. Moreover there is a difference between the damage caused by the use of drugs and the harm that results from their illegality. It is premature to contemplate legalizing any dangerous drugs—but it might be sensible to examine carefully all of the likely consequences, positive and negative, of selective legislation.

But when it came to the impossibility of winning a war on drugs, *A Time for Choices* was even more emphatic than the earlier report, this time claiming that efforts to reduce drugs really only *increase* the narcotics supply. The Dialogue argued that the drug epidemic is just a result of "market forces"—certainly not an act of warfare against the youth of many nations—and that therefore, a "market approach" must be adopted to curb the drug epidemic.

A Time for Choices recommended a new "anti-drug" strategy based on that market premise, whose assured failure could later provide a stepping stone to full legalization. Narcotics, they suggest, should be treated as if they were the same as cigarettes, with anti-drug efforts focusing solely on reducing *demand*:

Eradication, interdiction and other supply-side policies have ailed. Primary attention must now be given to curbing demand . . . but it would be foolhardy to expect dramatic results soon. . . .

No "war on drugs" will produce major victories soon, and proclamations to that effect are suspect. . . . Progress in confronting the drug problem will be slow; simply containing its growth would constitute success beyond current expectations.

Even "sealing" the U.S. border, they argue,

would only shift supply to domestically grown substances, or to so-called "designer drugs" made from chemicals. The campaign against imports already has had unintended and sometimes perverse results: because efforts to interdict imported drugs have been more successful against marijuana than against the less bulky and more lucrative cocaine, many traffickers have switched to cocaine. As a result, up to half the marijuana used in the United States may now be homegrown.

Nations must learn to "cope with narcotics," the Dialogue ordered.

Setting the Bush agenda



Kurt Schmoke

By the end of the second Reagan administration, the legalizers had achieved what they had set out to do. Discussing legalization was no longer taboo. A leading black politician, Baltimore Mayor Kurt Schmoke, espoused the idea, and no mass demonstrations materialized to demand his recall from office. The media sponsored debates around the idea. Milton Friedman authored articles championing it. It became fashionable to discuss legalization in cocktail parties.

The dope lobby in South America lost no time in trumpeting the news: The United States is debating the pros and cons of capitulation to the dope mob. The legalization lobby had succeeded in weakening the will to fight. With a new administration taking office, the time had come to strike. The Establishment did not waste a moment.

On Jan. 17, 1989, three days before President George Bush was to be sworn into office, the Inter-American Dialogue called a press conference to release their latest recommendations. Dialogue secretary Abraham Lowenthal hailed the report as representing the "bipartisan consensus which has emerged over the past decade." The man nominated to be Bush's national security adviser, former Kissinger Associates, Inc. vice chairman Brent Scowcroft, welcomed the report as "significant" and urged its "careful study."

Did the Dialogue retract its calls for surrender in the war on drugs? Far, far from that. In 1989, they suggested that governments form *alliances* with the narcotics cartel in places where it has grown too strong!

The Dialogue dismissed the existence of "narco-terrorism," arguing instead that nasty attempts to suppress the drug trade had angered traffickers, and therefore pushed them into an alliance with terrorists. The enemy was, therefore, those governments and militaries which insist on fighting drugs. "*The fight against cocaine can threaten democratic governments as seriously as the trafficking itself,*" the Dialogue declared. They stated:

Involving the national army in eradication risks both enmeshing it in corruption and diminishing civilian authority by stretching military responsibilities. For countries with guerrilla insurgencies, eradication poses an especially cruel dilemma: Destroying drug crops can undercut support for anti-guerrilla operations, pitting the military against local peasants. In Peru, the Sendero Luminoso [Shining Path] guer-

rillas have made deep inroads into the country's coca-producing areas.

Although governments of the Hemisphere have expressed concern about guerrillas and drug traffickers joining forces, such alliances seem to be the exception rather than the rule. Repeated assertions of such a link suggest an effort to find scapegoats to spare governments the harder task of grappling with the domestic roots of both anti-government insurgency and drug trafficking. . . . Unlike guerrillas, the [drug traffickers] do not seek to overturn social and economic structures. . . .

Traffickers, in turn, hire their own armies to protect drug operations from the guerrillas. *If they are left alone, traffickers and growers will often support national police and armies in combatting guerrillas.*

Peru is singled out as a target for this evil strategy of having "traffickers and growers . . . support national police and armies."

The report specifies that in 1984, cocaine dealers and local Peruvian Army commanders helped each other in the Huallaga River Valley. But the intensive military operations by the Alan García government against coca plantations and cocaine labs, with U.S. DEA support, spoiled that. The Dialogue admits that extensive aerial spraying of herbicides such as "Spike" could sharply reduce coca production, but rushes to assert that "such spraying could cause widespread environmental damage and would risk alienating whole areas of the country. In Peru, it would give Sendero Luminoso the opportunity to expand its influence in coca-producing regions even further."

Repeating that "neither eradication in Latin America nor interdiction at the border will do much to address the U.S. cocaine problem," since "the drug business is so profitable that the traffickers can tolerate the seizure of half or more of their shipments," the report urges that they be left in peace. "So long as there is demand for illicit drugs, supply will find the way to fill it. . . . To put faith in eradication or seizure to end the drug trade is to pursue a will-o'-the-wisp."

Rhetoric aside, the Bush administration has in fact accepted the basic premise put forward by the Inter-American Dialogue, that the United States can at best "cope" with narcotics, not eradicate them. When President Bush unveiled his vaunted anti-drug plan on Sept. 7, 1989, its strategic pivot was not a military war on drugs, but "demand reduction." Officials specified that the administration seeks only to reduce consumption by 50% over the next 10 years.

The legalization apparatus

There is nothing spontaneous about the increase in calls for legalization around the world. Nor does the upsurge in legalization propaganda in the United States reflect a decision by a majority of American citizens to commit moral suicide—yet. The appearance of a growing movement for narcotics is being carefully orchestrated. In fact, when any investigator tracks back who and what is behind each call for legalization, each time they encounter a tightly integrated network of institutions and individuals who are working to achieve legalization of narcotics.

Economists, lawyers, all sorts of "criminologists" and sociologists operating out of prestigious academic posts, form the ranks of that new profession, "legalizer," which has been spawned by the Establishment. It is not necessary to provide a dossier on every member and institution making up the "professional" legalization lobby, to firmly establish that it is that relatively small hard core of fanatics which is orchestrating the dope mafia's planned final victory.

NORML and the Playboy Foundation



The National Organization for the Reform of Marijuana Laws—"from the farthest limits of outer space..."

In the 1970s, the National Organization for the Reform of Marijuana Laws (NORML) served as the legalizers' central organization, deploying the main body of the dope lobby's foot soldiers. The group exemplifies how the dope lobby functions as a centralized apparatus, joining the drug traffickers' Establishment protectors in the same organization with gutter addicts and smut peddlers.

A former federal government bureaucrat turned lawyer for the drug paraphernalia "industry," Keith Stroup, founded the group in 1970. NORML advisory board members in the 1970s ranged from Max Palevsky, a director of Sol Linowitz's Xerox Corp., conservative "intellectual" William F. Buckley, Canon Walter D. Dennis of the Episcopal Cathedral of St. John the Divine, to then-television reporter (now star) Geraldo Rivera.

The U.S. pornography "industry" coughed up financial support. A \$25,000 check from Hugh Hefner's Playboy Foundation empire gave NORML its start; over the next 10 years, Playboy would provide over a million dollars for NORML, not counting extensive free advertising in *Playboy* magazine. Three members of the Playboy Foundation also sat on NORML's board of advisers, including founder Hugh Hefner.

The terrorist "Yippies" provided many of the staffers and promoters for NORML's day-to-day activities.

"Frequent anonymous contributions from drug dealers" also finance NORML, Stroup proudly told *Playboy* magazine, in an interview published in 1978.

In 1974, *Playboy* and the New American Library, a subsidiary of the Times-Mirror Corp., started up a glossy dope magazine, *High Times*, to be sold at newsstands nationwide. *High Times*, whose staff was also drawn from the ranks of the "Yippies," became the unofficial voice of NORML and the drug traffickers, as well as another major source of funds for NORML's campaigns. In the pages of this magazine, the dope lobby advertised that its intent was to spread drug abuse. *High Times* promotes every conceivable form of "recreational" drug use and sexual perversion, provides instructions on growing dope, and advertises equipment needed to grow and process various types of narcotics.

NORML prepared the ground for the "decriminalization" of marijuana which occurred in parts of the United States during the Carter years, by propagandizing the idea that marijuana is a "soft" drug, distinct from other narcotics. Marijuana legalization was only viewed as a foot in the door for other narcotics, however, as *High Times* and *Playboy* made no attempt to hide. *Playboy* called for the legalization of cocaine in its January 1975 issue, while in 1979, the Playboy Foundation financed the publication of a book called *Cocaine: Legal and Technical Defenses in Cocaine Prosecutions*.

At the same time that NORML and *High Times* promoted the "glamor" of drug use in the United States, they coordinated their campaign with such international cocaine mafia-financed drug enthusiasts as Colombia's Ernesto Samper Pizano (see Chapter 4).

The Anti-Defamation League

An explosive exposé of NORML, *High Times*, *Playboy*, and the dope lobby of the 1970s was published in a series of articles which appeared in *War on Drugs*, the magazine of the U.S. National Anti-Drug Coalition (NADC), between 1979 and 1981. The legalizers were furious, and the Anti-Defamation League of B'nai B'rith (ADL) rushed to their aid. With ADL financial aid and political clout, the legalizers, led by *High Times*, launched a several-year-long combined legal and propaganda assault against *War on Drugs* and the National Anti-Drug Coalition, which finally succeeded in shutting down the NADC and its magazine in the

United States. (Copies of these exposés are available from EIR, upon request.)

The Anti-Defamation League plays a broader, crucial role. It pretends to be an organization dedicated to fighting anti-Semitism, but it is in reality one of the most powerful lobbying groups for the international drug trade. On more than one occasion, the ADL has taken advantage of its Zionist cover in order to eliminate the enemies of the dope mafia.

The ADL is, above all, a public relations front for that branch of American organized crime founded by Meyer Lansky during the early decades of this century, under the patronage and sponsorship of leading Anglo-American financial interests; its entire command structure is dominated by elements of that mob, and from the beginning it has been tied to certain intelligence networks.

During World War II, the ADL functioned as the "dirty tricks" arm of the British Special Operations Executive, under the leadership of Sir William Stephenson, the head of the SOE in North America, and in coordination with Division Five of the FBI. Today, it functions as a dirty tricks subdivision of U.S. intelligence and the Justice Department.

Kenneth Bialkin, ex-national chairman who is still an honorary national chairman and a director of the ADL foundation, was the lawyer for Robert Vesco, the fugitive financier now living in Cuba under Fidel Castro's protection. Vesco was one of the early partners of Medellín Cartel dope smuggler Carlos Lehder, helping Lehder to set up his marijuana- and cocaine-smuggling routes through the Bahamas.

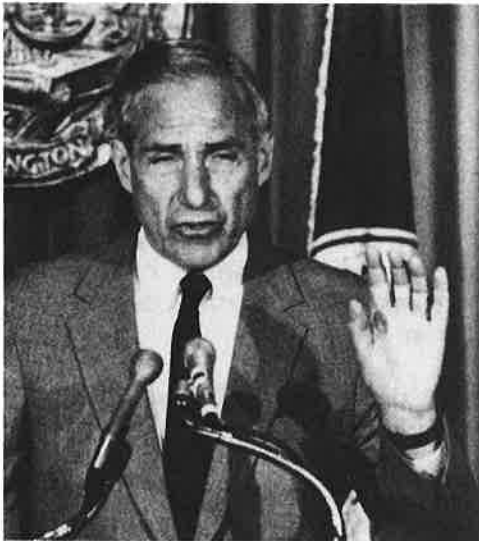
While with the New York law firm of Willkie Farr and Gallagher, throughout the 1970s, Bialkin masterminded Vesco's looting of Investors' Overseas Service (IOS) of more than \$60 million. In January 1980, a jury in the U.S. Southern District of New York ordered Willkie Farr and Gallagher to pay \$35 million to victims of the IOS looting, and found that Bialkin had been instrumental in structuring the money-laundering and theft scheme at every level. Law enforcement officials believe that IOS was one of the early conduits for billions of dollars in drug profits, and was a cash repository used by Meyer Lansky.

During Bialkin's tenure at Willkie Farr, the firm also handled *pro bono* legal work for the ADL, and represented major ADL donor and suspected crime figure Edmond Safra. Bialkin represented Safra in the Syrian banker's takeover of American Express, a transaction that ended years later in a fiasco, with American Express officials accusing Safra of money laundering. According to aides to Safra, he arranged that the ADL receive \$1 million of the money he won in a lawsuit in 1989.

On Jan. 3, 1989, officials of the U.S. Customs Service and the DEA in Berne, Switzerland identified Safra as a major figure in an international drug money-laundering scheme involving the Shakarchi Trading Company. The government reports identified Safra as a lifetime friend and business associate of Mohammed Shakarchi, and identified numbered accounts at Safra's New York City Republic National Bank as pass-through accounts for drug profits from Syrian, Lebanese, Bulgarian, and Colombian trafficking organizations.

Another mob-linked banker who sits on the ADL's National Commission is Leonard Abess, of the City National Bank of Miami. In 1981, Abess brought Colombian cartel money launderer Alberto Duque onto the bank's board, where he remained until he was jailed on money-laundering charges in 1986.

There is one financial institution that is more closely linked to the ADL than any other: Sterling National Bank of New York City. The president of Sterling is Theodore H. Silbert, another honorary vice chair-



Kenneth Bialkin

Leo Scanlon



Edgar Bronfman

Carlos de Hoyos

man of the ADL and the former head of the ADL Appeal, its major fundraising arm. Law enforcement sources have identified Sterling National as a mob front since its founding in 1929 by Meyer Lansky associate Frank Erickson. Ronald Reagan's ambassador to Italy, Maxwell Rabb, is another longstanding Sterling National director. Rabb was a onetime business partner of Lansky in the International Airport Hotel Corp.

The relationship between the mob and the ADL runs so deep, that in 1985 the ADL felt no compunction about giving its Torch of Liberty award to gangster Morris Dalitz, a founder of the notorious Purple Gang and longtime crime partner of Lansky.

No discussion of the ADL's ties to organized crime and the drug apparatus would be complete without reference to Edgar Bronfman, ADL honorary vice chairman and chief of its New York Appeal, and chairman of the prestigious World Jewish Congress. Bronfman, who is touted as a leading international businessman and philanthropist, has been unable to erase the taint left by the fact that his family fortune was derived from his father's Prohibition-era bootlegging activities.

Known at the time as the "Bronfman Gang," the Canadian Bronfmans were the main illegal suppliers to America's crime syndicate known as "Murder, Inc." By no later than 1920, when Edgar's father Sam Bronfman and Arnold Rothstein agent Jacob Katzenberg were dispatched to Hong Kong to arrange for opium supplies, the bootlegging routes were also utilized for the smuggling and retail distribution of illegal drugs.

When in 1978 the links of the Bronfman family to organized crime were published in the book-length study of the international illegal drug trade, *Dope, Inc.*, commissioned by Lyndon LaRouche, Bronfman, according to Quebec police sources, ordered his attorneys to prepare a multimillion-dollar libel suit. But after careful deliberation, the attorneys strongly argued against such an action.

Friedmanites provide respectability

To make dope legalization acceptable to a broader public in the United States, the drug lobby had to be repackaged in the 1980s. Two primary tracks were put into motion to accomplish this.

The principal "theoretical" justification for drug legalization has consistently been proffered by the proponents of the "free market" school of economics, better known historically as the British free trade school, or, in the 19th century, as liberalism. The most famous legalizer associated with this school in the United States, is that old "Chicago School" friend of George Shultz, Milton Friedman.

Friedman has been campaigning for drug legalization for 30-40 years, according to his associates. Since the 1970s, he has used the myriad public forums made available to him as a reputed economics guru and Nobel Prize winner to champion the cause of legalization. Friedman authored such a column for *Newsweek* in May 1972, which insisted that "we cannot end the drug traffic," and that "the individual addict would clearly be better off if drugs were legal."

Such was the case also with his 1983 book, *Tyranny of the Status Quo*, which became a bestseller. Friedman, pleased that "the tide is turning . . . away from a doctrine of social responsibility," admitted that "legalizing drugs might increase the number of addicts," but argued that "whatever happens to the total number of addicts—and the possible increase of that number—the individual addict would clearly be far better off if drugs were legal. . . . Our belief that it is desirable to legalize marijuana and all other drugs does not depend on whether marijuana or other drugs are harmful or harmless," he added. The use of herbicides to eradicate marijuana cultivations, however, he denounced as a "poison."



Milton Friedman

Friedman also makes the ludicrous argument that by making drugs legal, *crime statistics* will drop—because drug use would no longer be a crime, naturally!

Interviewed on the Phil Donahue television show in April 1980, he insisted, "It's a terrible mistake for society to render heroin illegal," arguing that it were better that "heroin were readily available everywhere." Friedman, who also called "the right" to commit suicide "a natural human right" in that interview, explained that he views drug legalization as "a question of expediency, not of principle."

The belief that expediency, not principle, rules economics as well as all other human activity, is the immoral premise upon which proponents of this economic school have been mobilized as one of the most powerful forces behind the legalization lobby internationally.

British free traders have sought to free the global drug trade from government interference for centuries. And no wonder. In the heyday of the British opium trade, Friedman's predecessors—Adam Smith, David Ricardo, Jeremy Bentham, John Stuart Mill—were up to their necks in running the dope trade. Every one of those individuals named was a senior official of the British East India Company, which dominated the then-legal opium trade in the 18th and 19th centuries. Smith drew up the plans for the company's expansion into the great Chinese market; Ricardo sat on its board of directors; Bentham published the company's official history; and Mill was chief of the East India Company intelligence during the first Opium War.

So today, Friedman is far from alone in his narcotics advocacy: He is a member of a set of nested institutions which are working to assure that all drugs are "readily available everywhere."

The Mont Pelerin Society

"Our belief that it is desirable to legalize marijuana and all other drugs does not depend on whether marijuana or other drugs are harmful or harmless."—Milton Friedman

Take the case of the secretive, Swiss-based Mont Pelerin Society, of which Friedman is vice president. Members of this association, named after the Swiss lake resort where the society was founded in 1947, have quietly set up many of the institutions through which the legalization campaign has been run. The society's president, Austrian economist Friedrich von Hayek, and the group's chief ideologue, Swiss economist Ludwig von Mises, are both on-the-record advocates of freeing the dope trade and dope consumption from any government "interference."

William Buckley, the "conservative" editor of *National Review* magazine who helped found the Yippie-staffed NORML, has long been a member of the Mont Pelerin Society.

The society was set up by members of the London-based Society for the Renovation of Liberalism and the Pan-European Union, a political association begun by European oligarchs such as Archduke Otto von Hapsburg. The Mont Pelerin Society seeks not only to remove all government interference with the dope trade, but to eliminate all national governments.

As von Hayek elaborated in 1942, in a piece entitled *The Road to Serfdom*, "The idea of the world at last finding peace through the absorption of the separate states in large federated groups and ultimately one single federation, far from being new, was indeed the ideal of almost all the liberal thinkers of the nineteenth century. . . . An international authority which effectively limits the powers of the state over the individual will be one of the best safeguards of peace."

The Atlas network

A spinoff of this Mont Pelerin network active in the legalization campaign is an outfit based in San Francisco, the Atlas Economic Research Foundation.

Founded by a British member of the Mont Pelerin Society, Antony Fisher, and sporting von Hayek on its advisory board, the purpose of the Atlas Foundation is to "advise and support existing and developing independent institutes throughout the world" dedicated to promoting the Mont Pelerin libertarian outlook. Such notables as J. Peter Grace of the W.R. Grace Co., former Secretary of Treasury William E. Simon, former chairman of the Royal Bank of Canada Earle McLaughlin, and former Borg-Warner Corp. chairman Robert Ingersoll are among the members of the Atlas Business Advisory Board.

Over a dozen such institutes around the world form part of Atlas's network, including London's Adam Smith Institute, the Manhattan Institute for Policy, and the National Center for Policy Analysis in Dallas. Each churns out anti-government propaganda, advocates legalizing the "black" or "underground" economy, and promotes the British Crown Colony of Hong Kong—for more than a century the center of the world's opium trade—as the single best example in the world today of the kind of society needed.

The institutes were established because they "tend to influence the attitudes of the public at large and they tend to change what is politically profitable for politicians to do," Friedman explains, in a flyer promoting the Atlas network.

The Institute for Liberty and Democracy (ILD) in Lima, Peru, for example, has taken the lead in organizing private business interests in Ibero-America against their governments, through its much-publicized book *El Otro Sendero*. The ILD, in fact, shows the overlap between the Inter-American Dialogue and the Atlas network, as one of the Dialogue's members, Mario Vargas Llosa, sits on the board of the ILD, and wrote the introduction to *El Otro Sendero*.

Reviving Chinese opium dens

One institute on the Atlas network took the point for the campaign to make drug legalization "politically profitable." That was the Pacific Research Institute in San Francisco, which during the mid-1980s put in the money to pay for a team of legalizers who worked out of the institute to prepare a study justifying legalization of *all* narcotics.

Leading the Pacific Institute's project were the same legalizers active in the NORML project, including Harvard University's Norman Zinberg and Lester Grinspoon.

The result of the project was published in 1987 by Lexington Books, in a book entitled *Dealing with Drugs: Consequences of Government Control*. The foreword to the book promotes it as a "vigorous and at times provocative presentation . . . a scholarly, well-documented volume, with scientific data and numerous quotations and references. . . . *Dealing with Drugs* will . . . encourage the formulation of new, more rational approaches to our seemingly intractable dilemma."

Repackaging legalization arguments with statistics and "scholarly" language did not change the content, however. *Dealing with Drugs* matches the crudity of *High Times* magazine in its promotion of drug use. If there is anything useful about this book at all, it is that it puts to rest the lie that the legalization lobby believes that legalization will reduce consumption. The authors proclaim from beginning to end that they have no

intention of reducing drug consumption, but would prefer rather to *expand* it.

The author of one chapter, Norman Zinberg, analyzes the benefits of "bread and butter drugs" (alcohol, cannabis, and opiates) which "can be depended upon to give a consistent but relatively flexible effect."

Another chapter written by Randy Barnett, an assistant state's attorney in the Criminal Prosecutions Bureau of the State's Attorney's office of Cook County, Illinois from 1977 to 1981, now turned law professor, claims that PCP, the drug known in U.S. high schools as "angel dust," should not be written off as dangerous either. "If you're having trouble getting a feel for PCP, you're in good company. . . . One-third of PCP users say it's unique, another third say it's like the hallucinogens or marijuana, and the last third isn't sure," he wrote.

American University professor Arnold Trebach berates the media for creating the "myth" that the crack cocaine epidemic constitutes a new national disaster.

Trebach outlined the political goals of the Pacific Institute project in his chapter on "The Need for Reform of International Narcotics Laws." The time has come for "balanced adjustments and compromises," he wrote. Nations "can start thinking in terms of specific compromises and adjustments. . . . A small group of drug-law reformers has been gaining strength in the United States and in other countries recently. If they can achieve some political stature as a centrist and moderate force . . . if enough good people . . . come forward soon enough . . . our current war against drugs can be averted and the war itself ended."

The last two chapters of the book, however, give the most shocking view of how this "small group of drug-law reformers" actually thinks.

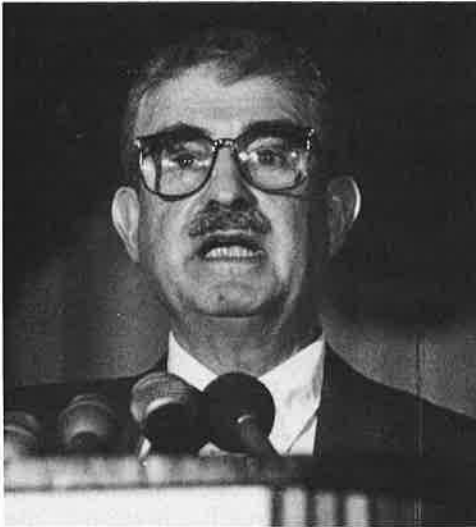
First, Robert J. Michaels, an economics professor at California State University in Fullerton, discusses "The Market for Heroin Before and After Legalization." Michaels dismisses the concept of "addict" for heroin users, as well as the idea that many heroin "users" are unemployed or even unemployable. His "study" assumes that "buyers' preference for heroin are qualitatively the same as for any other good."

Michaels's major complaint is that the heroin "industry" is currently "inefficiently small," a situation which can be remedied by setting up a "competitive legal market," which will allow advertising, brand names, and large-scale commercial production [which] will lead to cost-saving innovations."

The result will be massively increased heroin consumption. He writes: "One expects that legalization with advertising will stabilize quality and lower price relative to a market without advertising. More precisely, it would lead to a spectrum of qualities . . . there is a good likelihood that both the price-lowering and quality-certifying effects of advertising will operate in ways that increase use. . . . Thus, one expects that the legal market will be characterized by a lower equilibrium price, higher output, and more dependable quality. . . . Cheapening heroin implies that an individual will be more disposed to consume it."

Furthermore, mass heroin use, says Michaels, would improve, productivity, not lower it. "In reality, the period between the Civil War and World War I was the period of America's greatest sustained proportional economic growth. It was characterized by low unemployment rates, legal opium and a large population of habitual users. The same was true of Victorian England."

Michaels's citation of the alleged productivity of Chinese opium smokers reveals the true face of the kind of economy which the legalizers assume as the future for the United States and other industrialized countries.



Arnold Trebach

Stuart Lewis

The Drug Policy Foundation's war plan

Thomas Szasz, a professor of psychiatry at the University of Syracuse in New York state, authored the book's concluding chapter, "The Morality of Drug Controls." This chapter captures the satanic notion of "freedom to do evil" which underlies the arguments of the other legalizers.

Not only does Szasz claim "the right to drugs" as a constitutional right, but he argues adamantly in favor of their usage on the basis that drug use, like free sex, is a "prima facie act against God's authority" and therefore constitutes "freedom." Drug use is banned, he complains, because of the obsessions of "traditional churches," which impose morality upon society.

Heroin is more dangerous than aspirin, Szasz writes, only because "it gives more pleasure to its users than does aspirin [and] is therefore more likely than aspirin to be taken for the self-induction of euphoria. . . . The fact that people take heroin to make themselves feel happy or high—and use other psychoactive drugs for their mind-altering effects—raises a simple but basic issue . . . namely, what is wrong with people using drugs for that purpose?"

Szasz thus concludes that nothing short of "free trade in drugs, with governmental action at most limited to safeguarding the purity of the product and the veracity of labeling," will be acceptable.

The renewed push for drug legalization at the end of the Reagan era required a new institution, more in tune with the times, to play the role which NORML had assumed in the 1970s in centralizing the drug legalization drive. Therefore, the Drug Policy Foundation was founded in Washington, D.C. in 1987, a three-piece suit edition of NORML which could provide enough "respectability" that the likes of George Shultz could join the campaign openly.

The DPF promotes itself as an "international organization that is studying rational alternatives to current drug policies." Their first action in 1987, was to help organize three conferences on drug legalization at the Imperial College of Science and Technology of the University of London. The DPF hailed the meetings as "historic . . . the first gathering of the international democratic loyal opposition to extreme drug war measures. To those who doubted the existence of that international force, these events proved its reality."

Attendees represented the gamut of legalizers internationally, ranging from NORML, to a group associated with the Green Party called the Grael/Rainbow Group of the European Parliament, the International Anti-Prohibition League (founded by the mafia-funded Italian Radical Party), to "addict-advocacy" groups such as the Drug Dependence Improvement Group of London ("composed almost completely of long-term injecting addicts") and the Dutch Federation of Junkie Unions ("an umbrella organization of local organizations composed of consumers and ex-consumers of illicit drugs . . . almost all are addicts").

"The DPF and other organizations must function as emotional and intellectual support groups for drug policy reforms," DPF promotionals explained. The London conferences provided "ideological reinforcement," so that drug advocates could "express their opinions honestly . . . [and] were not made to feel like deviants or bad people."

American University, where the president of the DPF, Arnold Trebach, teaches, granted course credits to its students who attended the conference!

The foundation quickly set itself up as the central agency of a "national drug policy network," offering speakers and propaganda from a slew of supporting institutions including the American Civil Liberties Union, the Criminal Justice Policy Foundation (see below), Citizens United for

*"Look how prosperous Colombia has become based on the drug trade, in contrast to Argentina and Brazil, where no one sees any alternatives. The economic argument is the strongest one favoring legalization."
—Norman Zinberg*

the Rehabilitation of Errants (CURE), NORML, and the National Prison Project.

With the Bush administration's anti-drug policy unveiled in 1989, the DPF concentrated its attention on Washington. Beginning in August, the DPF initiated a series of press conferences and seminars in Washington, D.C. leading up to a major conference titled "Beyond Prohibition" on Nov. 2-5, 1990 in Washington. It was at that conference that George Shultz's leading role in the legalizer camp was unveiled. Not to be left out, the Inter-American Dialogue also participated in the conference, with Executive Director Peter Hakim speaking at one of the workshops.

The central issue at the conference was to launch a renewed campaign to destroy the anti-drug sentiment in the U.S. population, and its reflection, no matter how weak, within the government. Speakers mapped out an approximately four-year process to achieve their goal, with the next two years viewed as the most crucial. They discussed how to orchestrate a media blitz, built around the planned series of declarations by Establishment figures in favor of narcotics legalization.

Trebach explained to the conference that these steps are the precondition for taking on the big problem: the widespread hatred of drugs. If politicians like New York State Sen. Joe Galiber and Baltimore Mayor Kurt Schmoke can be reelected in spite of their endorsement of legalization, Trebach explained, the way will be clear for snowballing political support.

Foundation spokesmen recognized that 70% of the American public considers drugs to be the number-one problem facing the country, more important than the next four issues of concern to them. Nonetheless, according to Trebach, "those numbers are soft . . . if you get those same people into a 'focus group' [a gimmick used to test advertising campaigns] and present these arguments for a weekend, they will consider legalization," on the condition that they are convinced that the addict population will not infest *their* neighborhoods.

"You have to look at this like the environmental movement, or the Green parties in Europe," Shultz's Princeton friend Ethan Nadelmann told the conference. "Ten years ago, who would have thought that these obscure issues would be dominating things the way they are today? This movement will grow in the same fashion."

His answer to the critics who say that the legalization movement has no step-by-step proposal for the elimination of drug laws (and the participants in this conference admit that they don't), is similar: "Look at the movement for abortion. No one ever argued over how abortions would be provided—clinics, hospitals, or whatever—the focus was on getting rid of the laws first, and the rest worked itself out."

Infiltrating government

If you wonder why successive U.S. administrations have failed so badly in crushing the drug epidemic, the background of the Drug Policy Foundation activists may provide an answer. The DPF brings together a spectrum of drug advocates who operate from prestigious academic posts and sport key government positions, together with the leading figures of the *High Times* variety of 1970s legalizer.

In short, the organization is a "who's who" of the people who destroyed the law enforcement infrastructure of the major cities in the 1960s; spread the "cocaine and marijuana are harmless" myth from the halls of academia and throughout the media; shaped drug and criminal policy from the

highest offices in the land during and after the Carter administration; and now insist that the nation should declare "Drug Peace, Not Drug War," because "law enforcement measures don't work."

The financial largesse of **Richard Dennis**, a Chicago-based commodities speculator and backer of Michael Dukakis's presidential campaign), helped provide the legalizers with the requisite image of "power." Dennis made a five-year, \$2 million grant to the foundation, to "bolster the increasing opposition to the war on drugs" by paying the DPF's operating expenses, and financing a "Richard J. Dennis Drugpeace Award" with which to reward prominent legalizers for their efforts (Baltimore Mayor Schmoke was the first recipient).

Dennis is no political neophyte. He sits on the boards of the Cato Institute, the premier libertarian think tank in Washington; the Chicago Council on Foreign Relations; and People for the American Way. He also serves as the editor of *New Perspectives* quarterly, the magazine of the Center for the Study of Democratic Institutions, an institution founded by Robert Hutchins of the University of Chicago for the purpose of spawning malthusian and other counterculture-oriented institutions.

President of the foundation is **Arnold S. Trebach**, the crack cocaine advocate who plans to turn the "small group of drug-law reformers [that] has been gaining strength in the United States and in other countries recently" into "a centrist and moderate force" capable of defeating the enemies of the dope empire. A British national, Trebach heads the Institute on Drugs, Crime and Justice at American University in Washington, D.C., and, according to his *curriculum vitae*, has served as "a consultant to the U.S. Department of Justice, Congress and other policymaking agencies."

Vice president and general counsel of the foundation is **Kevin Zeese**, another longtime NORML activist. Zeese currently is a practicing attorney in Alexandria, Virginia, specializing in the defense of individuals accused of drug offenses.

Foundation board member **Richard C. Cowan** of Cowan Investments in Dallas, Texas is a close collaborator of NORML board member William F. Buckley. Cowan has written many articles on drugs, including an insidious piece of disinformation called "How the narcs created crack," published in Buckley's *National Review* magazine.

The National Association of Criminal Defense Lawyers (NACDL) is represented by its president, **Neal R. Sonnett**, who is also active in the American Bar Association and various Florida-based legal organizations. In May 1988 he was named as one of the "100 most powerful lawyers in the United States" by the *National Law Journal*. In June 1989 he received the Florida Bar Foundation's Medal of Honor, its highest award.

The American Civil Liberties Union (ACLU) and NACDL provide the cadre who run NORML. **Ira Glasser**, the ACLU's executive director, is an active DPF board member.

Ethan Nadelmann, J.D., Ph.D., is another board member. He serves as associate professor at the Woodrow Wilson School, Princeton University. He authored "The case for legalization" in *Public Interest* magazine, and more recently authored a paper on the same subject for the National Academy of Sciences, an organization which has supported drug legalization since the Nixon administration.

Norman Zinberg, the man who advocated "bread and butter" drug use in the Pacific Research Institute's *Dealing with Drugs*, was a board member of the DPF until his death in the late 1980s. Zinberg was director of psychiatric training at the Cambridge Hospital in Massachusetts and



Ethan Nadelmann

Stuart Lewis

taught at Harvard Medical School's Department of Psychiatry for some 25 years, going back to the days that 1960s guru Timothy Leary began his LSD experimentation in the top-secret CIA-financed MK-Ultra project. Zinberg was a co-founder of NORML and a member of that organization's advisory board. Despite his public advocacy of the "benefits" of drug use, he was sent to Vietnam by the U.S. Department of Defense in 1971 to do a study on heroin addiction among American soldiers during the Vietnam War. He also served as a consultant for the Colombian National Association of Manufacturers in the early 1970s. "Look how prosperous Colombia has become based on the drug trade, in contrast to Argentina and Brazil, where no one sees any alternatives," he told a reporter in 1984 when discussing his Colombian work. "The economic argument is the strongest one favoring legalization," he claimed.

Zinberg's decades-long collaborator at Harvard Medical School's psychiatry department, **Lester Grinspoon, M.D.** replaced Zinberg on the DPF board. He, too, contributed to *Dealing with Drugs*, with a promotional for the "medical use" of LSD to "cure" neurosis and proposals for "systematic, publicly controlled experimentation" in drug use. Among his many writings on drug use are a book called *Cocaine*, which was central to the popularization of the drug during the 1970s, and the books *Drug Control in a Free Society* and *Marijuana Reconsidered*.

Andrew T. Weil, M.D., formerly on the faculty of Harvard, is now at the University of Arizona. His entire career has been devoted to the pursuit of a drugged nirvana. As an undergraduate, Weil produced his honors thesis on the hallucinogenic effects of nutmeg, and recently authored a book called *The Natural Mind, Chocolate to Morphine*, which argues that drug addiction, the desire for an "altered" state of consciousness, is a biological and instinctive drive. He was on the advisory board of NORML and a contributing editor of *High Times* magazine.

Wesley C. Pomeroy, a noted "police reformer," is executive director of the Independent Review Panel of Dade County, Florida, a citizen complaint office. He previously served in the Carter administration's White House Office of Drug Abuse Policy.

Patrick V. Murphy, former police commissioner for New York City, is, like Pomeroy, a leading figure in the movement which destroyed traditional law enforcement practices in police departments around the country. Under the pretext of "anti-corruption" campaigns, Murphy's policies brought demoralization to police departments and skyrocketing crime rates to U.S. cities.

Carl Sagan, propagandist for "New Age" scientific fakery, is also listed as an advisory board member of the Drug Policy Foundation.

A close collaborator of the DPF who spoke at the 1989 DPF conference is **Eric E. Sterling**, president of the Criminal Justice Policy Foundation in Washington, D.C. Sterling served as counsel to the U.S. House of Representatives Committee on the Judiciary from 1979 until 1989. He was first assigned to the subcommittee on criminal justice to work on rewriting the Federal Criminal Code under Rep. Robert F. Drinan, S.J. (D-Mass.). From 1981 through 1989, he was counsel for the subcommittee on crime, chaired by William J. Hughes (D-N.J.), and was responsible for legislation and congressional oversight regarding drug enforcement, gun control, money laundering, organized crime, and pornography.

According to his biographical summary, he worked with the liberal police department managers who have campaigned for draconian gun control measures, and credits himself with a major role in developing the major anti-crime and anti-drug abuse legislation of the last five years. He



Carl Sagan

is an adjunct professorial lecturer at the American University, where he has taught courses at the School of Justice on International Narcotics Policy and Organized Crime.

The DPF was also proud to have **Peter Reuter** speak at several panels of their 1989 conference. Reuter, who works for the Rand Corp., directed the team of analysts at Rand's National Defense Research Institute who produced a study entitled "Sealing the Borders: The Effects of Increased Military Participation in Drug Interdiction" in January 1988. The study was commissioned and paid for by the Office of the Undersecretary of Defense for Policy at the Department of Defense.

"Sealing the Borders" concludes exactly what the legalizers wished: that interdiction efforts are ineffective and may, in fact, aid the spread of drugs. That conclusion was reached, not surprisingly, because the study was based on the legalizers' premise that narcotics matters should be treated as a "market phenomenon." On that insane basis, Rand used its own projections of the effect of interdiction on *price* of cocaine, as the basis for concluding that interdiction doesn't effect price, and therefore is not useful!

Reuter's Rand study could be easily dismissed as a self-serving exercise in statistical mumbo-jumbc, if it were not for the fact that it is repeatedly cited as the justification for the Bush administration's decision to concentrate resources on lowering "demand" and on education, rather than sealing the United States' borders to drugs.

VIII. U.S. banking system is hooked on drug money

There is one aspect of the drug trade which no government has ever dared touch: the “laundering” of over \$500 billion per year in drug cash. Yet, this is the most serious logistical problem faced by the drug trade, and its most vulnerable point.

Take it from the beginning: A dealer sells cocaine on the streets of the United States for cash, some \$100 per gram. He then pays off his supplier, who may supply a network as large as a hundred or more dealers. This supplier may accumulate some tens or hundreds of thousands of dollars per week, most of it in \$20 and \$100 bills. But he can't just go to a bank and deposit it. Under U.S. law, banks must report to the government all deposits of \$10,000 or more.

The supplier's problem then, is to find a way to make that money “legal,” so that he and his bosses can use it—but still hide the source of such fabulous sums of money.

At first, traffickers beat that problem by dividing up the deposits into smaller amounts, and depositing them in different banks, each deposit being less than \$10,000. When that became too complicated for so much money, traffickers turned to “investments” in high cash-turnover businesses, such as hotels, casinos, restaurants, and sports events. Since banks are exempted from reporting deposits made by these kinds of businesses, drug profits are simply mixed in with legal business flows.

Once in the bank, the first step of laundering is completed, and money can be sent out of the country by wire transfers.

Dollar bills are also frequently shipped out of the United States, sometimes by couriers carrying suitcases filled with cash as their luggage. Often, planes which fly cocaine into the U.S. fly back loaded with \$20, \$50, and \$100 bills. Ingenious means have been used: Huge containers waiting to be shipped to Colombia filled with cash were recently seized in New York City; they had been marked “bull semen,” in hopes of deterring inspection by Customs agents. The traffickers had seemingly forgotten about the power of X-ray machines.

The bills can then be deposited directly in “offshore” banking centers, where no questions are asked. Or they can be invested in real estate, art objects, or construction projects in the producing countries. For example, Peruvian anti-drug investigators who reviewed the accounts of several bank branches located in Peruvian jungle towns, discovered a few years



Philip Ulanowsky

The cocaine traffickers' most vulnerable point: laundering of the drug money.

ago that individuals were depositing up to \$3 million a *week* in tiny jungle towns like Tocache, Peru.

Drug money is never given only one wash, however, since sooner or later, government authorities can be expected to do *some* investigating. So drug money is usually quickly transferred to an offshore banking operation.

Once transferred there, the funds make several trips around the world—mostly by telex—passing through at least a half-dozen different bank accounts and corporate fronts in as many countries. Several times along the way, the funds may be used to purchase diamonds, gold, paintings, or similar portable valuables. Then, those valuables are sold again for cash, eliminating even a bank transfer which government investigators might question.

Only a tiny portion (at most 10%) of the drug revenues ever stay in the producer countries, and virtually none of that benefits those nations' productive economies. It is simply a lie to say that the drug trade is a "bonanza" for Ibero-America.

Although no precise figures are available, a leading anti-drug prosecutor in Switzerland, Paolo Bernasconi, told Italy's *La Stampa* newspaper in January 1990 that the leading money-laundering centers include the United States (Miami and Wall Street), Canada, Great Britain, and, of course, Switzerland.

Today many Ibero-American governments, notably Venezuela and Mexico, are rushing to change their banking laws so that they can capture some of these "hot money" flows. They foolishly view this as a way to help pay their foreign debt, and solve their financial crises.

The world financial system is now as addicted to drug monies as a junkie is to heroin. Without the regular flow of those monies, the financial

system would collapse. As the London *Economist* wrote proudly in June 1989: "It is obvious . . . that drug dealers use banks. . . . The business . . . has become part of the financial system. . . . If you had morals or ethics in this business, you would not be in it."

U.S. finances are so dominated by money laundering that Treasury officials cannot locate 80% of all the dollar bills printed by the U.S. Treasury. Cocaine plays such a predominant role in the U.S. financial system that a significant majority of the dollar bills are permeated by traces of cocaine dust!

The Eurodollar precedent

How did this come about? The foundations for the drug trade's takeover of the financial system were laid in 1964, after the murder of President John F. Kennedy. That was when the Anglo-American Establishment set up something called the Eurodollar market, a vast pool of dollars held outside the United States, run out of the City of London—hence the name, "Eurodollar."

The key is that this market was and is today outside any governmental regulation. This allowed for a vast increase in international speculative money flows, of all kinds. Banks in London holding these Eurodollars could issue loans on this money, for example, without having to hold any portion in reserve, as national banking laws require. Most important for traffickers, was that anyone was allowed to purchase Eurodollar Certificates of Deposit from the London branches of international banks, which were simply "bearer bonds," anonymous pieces of financial paper whose owners' names were never recorded anywhere.

Every major bank jumped in on the operation. Citibank was the first bank to issue these Eurodollar bonds. According to one report, the man who proposed that Citibank create them, was none other than Bernie Cornfeld, the principal banker for drug kingpin Meyer Lansky. Cornfeld founded what soon became the most famous investment fund scam in the world, Investors' Overseas Services. At the end of the decade, Cornfeld passed control over IOS to Robert Vesco—the man who set up the financial empire for Carlos Lehder of the Medellín Cartel.

By the end of the 1960s, the bank which dominated the London Eurodollar market was that of Crédit Suisse White Weld Ltd. This was a joint venture formed by Crédit Suisse and an elite Wall Street investment house named White Weld. White Weld was owned by the Weld family, a Boston banking family which made its money in the 1800s by shipping opium from China to the United States.

The next turning point for the financiers of the dope trade was August 1971, when President Nixon, on the advice of two economic advisers, Paul Volcker and George Shultz, took the dollar off the gold exchange standard. Since 1945, when the dollar became the currency of world trade, the U.S. government had maintained a fixed value for the dollar in relationship to gold. Now all that was changed. The dollar became like a stock trading on Wall Street, going up or down according to market speculation. Washington pressured other industrial nations to "liberalize" domestic controls on foreign exchange, and let their currencies float also.

This was the decision which transformed the international financial system into a vast financial casino. By the end of the 1970s, national barriers to track and control financial flows were down around the world. Domestic markets were equally deregulated.

By 1982, an estimated \$2 trillion traded on the Eurodollar market worldwide, all outside the control or scrutiny of any national tax or criminal authorities.

That wasn't enough. Around that time, a new, fully automated elec-

"It is obvious . . . that drug dealers use banks. . . . The business . . . has become part of the financial system."
—The Economist

tronic transfer system was established in New York, which allowed money to be transferred to any bank anywhere in the world almost instantaneously—without any paper deposit slip ever needed.

The 1970s drug trade boom in Ibero-America played a critical part in fueling this world financial casino. In 1978, *EIR* estimated that total world dope trade ran around \$200 billion a year. But 1978 was just the beginning of the cocaine boom. *EIR* estimated that retail sales of Ibero-American drugs alone generated some \$940 billion in revenues between 1978 and 1987—nearly a trillion dollars in 10 years. Almost none of that money returned to Ibero-America; most stayed abroad, feeding the “financial casino.” As income from physical production plummeted worldwide, the Ibero-American narco-dollars provided a crucial infusion of cash which kept the international banks afloat.

Too hot to handle

Dope “is the biggest source of new financial business in the world today. . . . I know banks which will literally kill to secure a chunk of this action.”—London banker

Yet no government has ever touched the system that allowed this to occur. At best, a few accounts here and there have been seized. To this day, money laundering is not even a criminal offense in 8 out of the 15 so-called industrialized nations.

In the United States, government action is a joke. The handful of banks which have been closed were those *owned* outright by traffickers. Of the major banks, some have been accused of specific acts of money laundering, but no top management has *ever* been charged or prosecuted for criminal activity. No major bank license has been revoked. The largest fine ever paid by a bank for drug money-laundering was \$15 million, which the Bank of Credit and Commerce International (BCCI) paid after pleading guilty to laundering \$32 million. The U.S. government defended the fine—less than half the money for which the bank was caught—by pointing out that the fine was *triple* the value of any that had ever been imposed before!

The banks didn't just take advantage of the drug trade profits; they promoted the “right” of bankers to make use of these profits. As one banker stated in an off-the-record discussion in London in 1986: Dope “is the biggest source of new financial business in the world today. . . . I know banks which will literally kill to secure a chunk of this action.”

The banker worked for one of Wall Street's biggest investment houses, Merrill Lynch and Co. The chief executive officer of Merrill Lynch for 12 years was Donald Regan, who served as Treasury secretary and chief of staff of the White House for seven years of the Reagan presidency.

In 1984, at the very time that Regan worked at the White House, President Reagan's Commission on Organized Crime issued a report on money laundering, which named Merrill Lynch as one of the leading money-laundering institutions in the United States! The report told of how Merrill Lynch executives even provided security regularly for one top Swiss trafficker, every time he came to their offices to deposit more than a million dollars in \$20, \$50, and \$100 bills. Merrill Lynch then transferred the money to Switzerland—primarily to *Crédit Suisse*. The trafficker was indicted; Merrill Lynch wasn't even cited for violations.

Perhaps the worst case of government-banker collusion to defend money laundering is still the deal that the U.S. government cut with the Bank of Boston in 1985. After catching one trafficker, anti-drug officials found proof that the Bank of Boston had shipped out to him in Switzerland—primarily to *Crédit Suisse*—\$1.2 billion in 1,200 separate incidents of money laundering. The bank management pled guilty. No criminal charges were filed against anyone in management. Instead, the U.S. Attorney in Boston charged that bank with only one count of money laundering, instead of 1,200, and made it pay a half-million-dollar fine—



Donald Regan

Stuart Lewis



Stuart Lewis

William Weld

an amount equal to a tiny fraction of the annual interest earned on the drug monies the bank admitted to laundering!

The U.S. Attorney was William Weld, a scion of the same Weld family which made its money running opium in the last century and helped set up the Eurodollar market in this century. A year and half later, Weld was promoted to head the Criminal Division of the U.S. Department of Justice. Today, he is governor of the state of Massachusetts.

Instead of prosecuting drug-bankers, this crowd has prosecuted anyone who demanded action against the drug trade. William Weld personally led the task force that finally jailed Lyndon LaRouche, the American politician who commissioned the ground-breaking book *Dope, Inc.*, which first exposed how the bankers—led by British bankers—set up the dope trade.

In 1986, in Panama, Gen. Manuel Noriega closed down First Interamericas Bank, after it was proven that the bank was owned by the Cali Cartel. In December 1989, U.S. occupation forces invading Panama placed four members of the board of that same First Interamericas Bank in power—as President, Attorney General, President of the Supreme Court, and Minister of Treasury. The result: Drug running in Panama has grown since Noriega's ouster.

IX. Pot production soars as depression hits United States

In 1988, a Montana farm couple, Dick and Judith Kurth, of Fort Benton, were convicted and jailed for switching from cattle to marijuana as their cash crop. *People* magazine, the TV networks, and all major media publicized the incident, in part to promote the view that decent farmers everywhere were turning to pot growing, and wrongly punished. In 1985, the Kurths were in debt for \$1.2 million to Norwest Bank, and the bank cut off their credit. Unable to operate their once-prosperous cattle ranch, they investigated growing marijuana in makeshift hothouses in their farm buildings, in a desperate bid to save their farm.

Over the 1980s, marijuana cultivation in the United States became gigantic, and it continues to soar. For example, in 1987, the total gross value of the crop was an estimated \$43.7 billion. Two years later, in 1989, that had risen to \$50.1 billion. In part, this reflects the rising street price, particularly as eradication raids periodically kill off significant amounts of cultivation in certain regions. But over three-fourths of the dollar increase is due to increased *physical production* of marijuana. Clearly, the trend is toward increased domestic cultivation of the drug, even as Mexico and other points also continue to increase their production. In terms of percentage of annual estimated world output, the U.S. share of marijuana production in 1989 constituted about 27% of the world total.

America's drug problem is no longer just a *consumption* problem—importing marijuana, cocaine, and heroin from “over there.” We now have a major domestic drug *production* catastrophe on our hands as well.

Twenty percent increase per year

We use 1987 data in this report, because, for purposes of assembling a consistent and complete data base for both agriculture and estimated marijuana values, that was the best recent year. (See accompanying box for methods and sources used.) The patterns have, if anything, worsened over the intervening years, as pot production has kept growing by around 20% per year. Meantime, levels of farm output of food and fiber are depressed, relative to need and potential productivity. In fact, 1987 marked the first year in recent history that, for a month or two, the United States was a net food importer.

Figure 1 shows that the 1987 marijuana harvest (\$33,095 million) was almost equivalent to the receipts from the largest agriculture commodity (cattle and calves) that year (\$33,829 million), and it was larger than *every other* agricultural commodity, and larger than several major grain crops combined. The relative values are shown for a breakdown of five of the top farm commodities in the bar diagram, and another 20 commodities are shown for comparison in **Table 1**.

What is outstanding is that by 1987, the harvest value of marijuana exceeded that of soybeans and corn combined (\$18,372 million)—the two crops in which the United States leads in world production. Even adding in the value of wheat (\$4,869 million) and hay (\$2,233 million), the \$25,474 million total does not begin to rival marijuana.

Bankers give the nod

You would be wrong to expect to see "waving fields of hemp" in Iowa, however. The pattern in these figures does *not* reflect some imputed "natural shift of preference" among farmers away from producing food, into producing dope. The U.S. marijuana harvest reflects a series of deliberate policy decisions by a network of influentials in the mega-banks, the U.S. Justice Department, U.S. Department of Agriculture, the International Monetary Fund (IMF) and related agencies, to create the conditions where dope growing in the United States is encouraged.

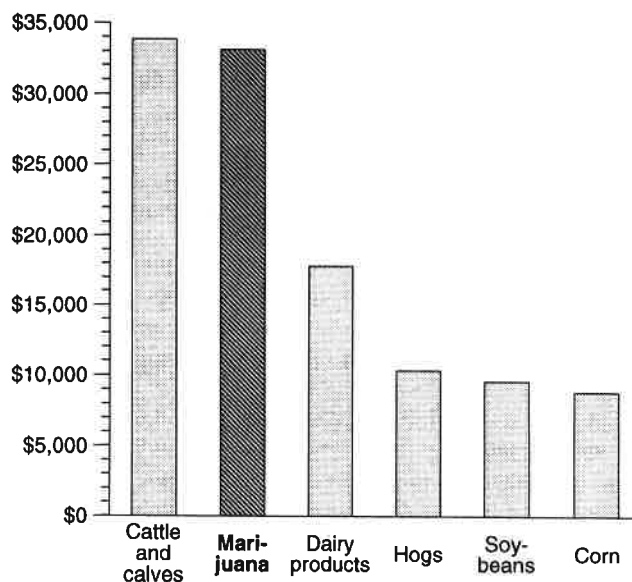
Over the 1970s and 1980s, the banks jacked up international interest rates into the stratosphere, and then forced Third World nations to adopt austerity policies. This predictably destroyed the productive sectors of their economies, at which point the bankers told them that they should produce any crop—including drugs, wherever it was lucrative—for the purpose of generating cash to repay their debts to the banks.

The spectacular growth of marijuana cultivation in the United States

FIGURE 1

Value of 1987 U.S. marijuana harvest exceeds all agricultural commodities but one

(millions \$)



Source: USDA; NORML; EIR estimates

TABLE 1

Receipts from marketing of top 25 crop/livestock commodities

(millions of \$)

Crop/livestock commodity	Receipts
1. Cattle and calves	\$33,829
2. Marijuana	\$33,095
3. Dairy products	\$17,829
4. Hogs	\$10,326
5. Soybeans	\$9,565
6. Corn	\$8,807
7. Greenhouse and nursery	\$6,402
8. Broilers	\$6,176
9. Wheat	\$4,869
10. Cotton	\$4,027
11. Eggs	\$3,177
12. Hay	\$2,233
13. Tobacco	\$1,827
14. Turkeys	\$1,701
15. Potatoes	\$1,588
16. Grapes	\$1,355
17. Oranges	\$1,300
18. Tomatoes	\$1,283
19. Apples	\$1,091
20. Peanuts	\$1,016
21. Sorghum grain	\$1,009
22. Sugar beets	\$942
23. Lettuce	\$857
24. Barley	\$782
25. Cane for sugar	\$778

Source: USDA

in the 1980s is a result of the same policies. The same usurious interest rates that destroyed the Third World have also made it nearly impossible for agriculture to survive in the United States. Bankruptcies in the farm sector have skyrocketed, and farmers are being told to grow pot, or lose their farms.

So long as the Bush administration promotes liberal free market economic policies at home and abroad, the drug trade will flourish—at home and abroad—and Washington's so-called War on Drugs will remain a cruel joke.

The example of the conviction of the Montana farmers is a case in point. It is on public record that Dick and Judith Kurth were advised by their local Norwest Bank officer Floyd DeRusha, that they would have a chance to prevent bankruptcy if they produced marijuana. Once the farmers, very experienced in agronomy, did produce successive years of marijuana crops, they paid off their debts, with money to spare.

According to press accounts, DeRusha was just "joking" when, in 1985, he replied to the Kurths' anguished plea for help to continue ranching, "Well, other than growing marijuana, I don't know what you can do. Why don't you try that?" Norwest Bank President Frank Shaw denies that this was an okay to grow dope, but the bank gladly accepted the Kurths' money to pay off their loan, even though any bank official would have to wonder where the money was coming from, since the Kurths had been insolvent. Dick Kurth further testified that he informed Norwest how he was making his money, and that bank officials even helped him make big cash deposits in such a way as to evade federal rules to detect

suspicious sums of cash. According to the bank's behavior, money is money.

Nationally, this "one step removed" policy has prevailed among banks and other agencies connected with taking in or laundering dope money. The big banks caught violating federal reporting laws, and taking in large amounts of cash—such as the Bank of Boston and SeaFirst in Seattle—were given only slap-on-the-wrist fines. No followup of the drug money networks was done by the Justice Department. In the marijuana-producing areas, likewise, there are large unaccounted for cash flows, and yet there have been conspicuously few regional raids, indictments, and convictions.

Political patterns

What is one to conclude from the size of the domestic pot economy? Marijuana advocates like the National Organization for the Reform of Marijuana Laws (NORML) conclude that marijuana output is so big and lucrative that it reflects public support, including that of farmers, and therefore must be legalized. Much of the major media also promote this view. But closer inspection of the patterns of cultivation do not indicate widespread public support or farmer involvement.

In the report that follows, we present a systematic computer-assisted study of the scope and geography of marijuana growing in the United States. The study shows that there are demarcated areas of cultivation, which any concerted eradication program could obliterate—if the political will to do so actually existed.

The two zones accounting for 42% of U.S. marijuana output (1987) are concentrated in the Pacific states (California, Oregon, Washington, and Hawaii), and in the secluded, poverty-stricken counties of the Ozarks and Appalachians, in a five-state region in the eastern central United States (Arkansas, Missouri, Kentucky, Tennessee, northern Georgia, and also adjacent southwestern Virginia) (Figure 2). The other 58% of the



Drug legalizers are on the rampage, as marijuana becomes the top crop in many states. Here, the National Organization for the Reform of Marijuana Laws (NORML) peddles its wares in July 1990, at a concert in Iowa that featured aging ex-Beatle Paul McCartney.

FIGURE 2

Ten states produce 42% of U.S. marijuana output

(billions \$)

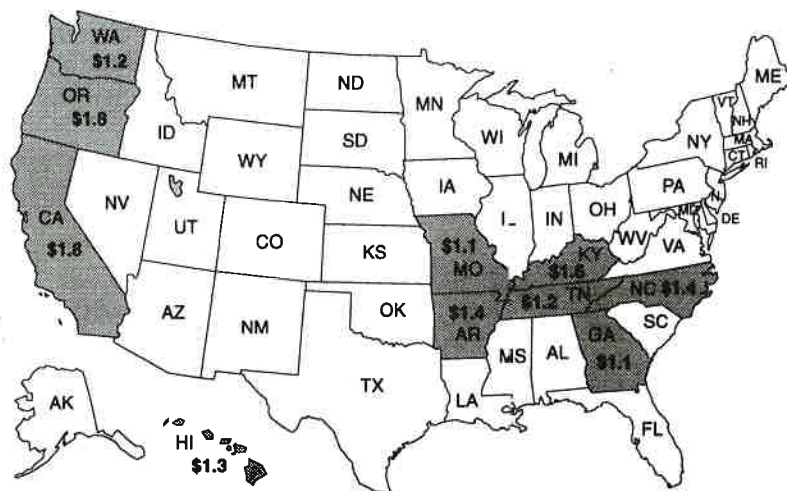
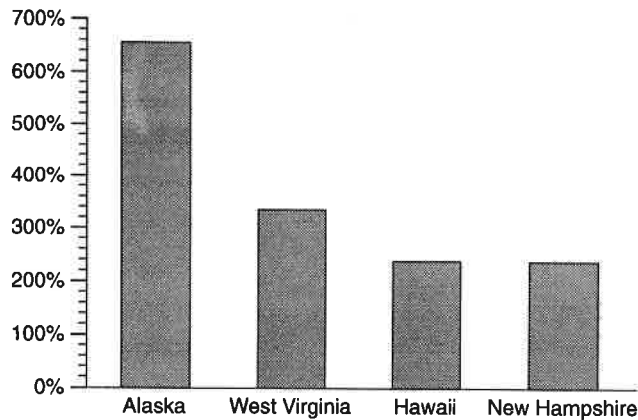


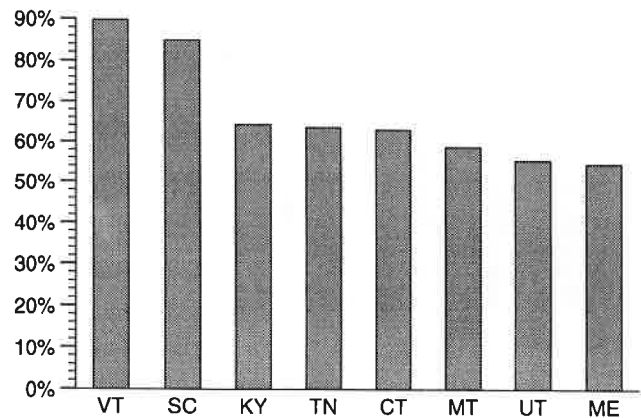
FIGURE 3

State-by-state comparison of marijuana production to total value of crop/livestock output (percent of crop/livestock output in 1987)

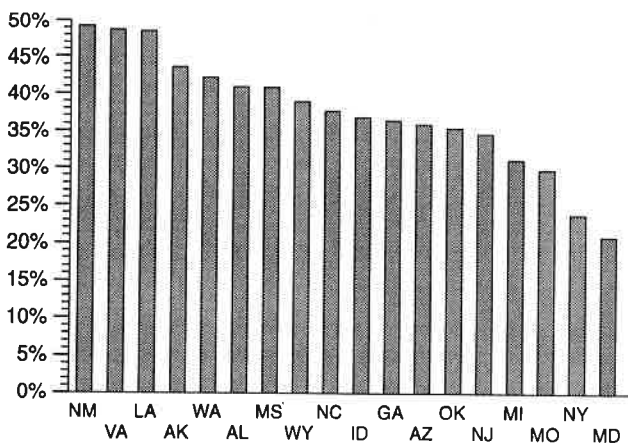
a) Marijuana is over 100% of crop/livestock output



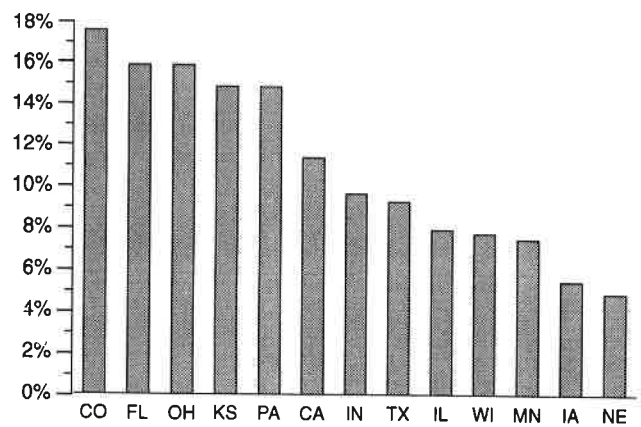
b) Marijuana is 50-90% of crop/livestock output



c) Marijuana is 20-49% of crop/livestock output



d) Marijuana is 4-18% of crop/livestock output



Source: USDA; NORML; EIR estimates

Figure 4 gives another comparative view of the spread of marijuana cultivation, by showing that in 37 states, the harvest value of marijuana cultivated exceeds that of the top crop (i.e., excluding non-crop agricultural commodities, such as livestock and dairy) grown in that state.

But this map also indicates an important counter-pattern. In the Midwest corn belt, the marijuana does not outrank the value of the corn and soybean harvests. And it does not outrank the cotton in Texas or citrus in Florida—at least not yet.

A deeper look at the state data shows clearly that the top farm states are not the top pot-producing states—neither in percentage nor in absolute terms. The one exception to this is California, which is special in many respects. That state has the largest population in the nation, and an economy larger than that of many nations. It has a rich, varied agriculture, with secluded and favorable growth locations for marijuana. It also has Hollywood and a history of pro-drug counterculture, and cases of experimentation with hallucinogenic drugs provided clandestinely to masses of people.

The map in Figure 5 shows the locations of the top 10 farm states in



Stuart Lewis

Dopers on parade in New York City.

TABLE 2

State-by-state comparison of marijuana harvest vs. leading agricultural commodity

(millions of \$)

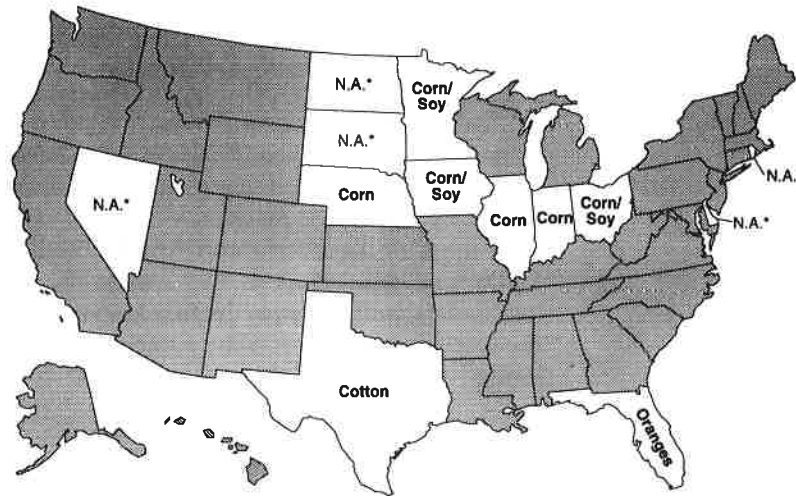
State	Marijuana harvest	Leading commodity		Marijuana as % of commodity
		Commodity	Amount	
Alabama	\$880	Eggs	\$156	564.1%
Alaska	\$190	Greenhouse	\$13	1,461.5%
Arizona	\$640	Cotton	\$339	188.8%
Arkansas	\$1,375	Soybeans	\$369	372.6%
California	\$1,750	Greenhouse	\$1,464	119.5%
Colorado	\$560	Wheat	\$221	253.4%
Connecticut	\$230	Greenhouse	\$95	242.1%
Delaware	NA	Greenhouse	\$30	NA
Florida	\$225	Greenhouse	\$933	88.4%
Georgia	\$1,125	Peanuts	\$454	247.8%
Hawaii	\$1,225	Cane/sugar	\$218	607.8%
Idaho	\$755	Potatoes	\$321	235.2%
Illinois	\$485	Corn	\$1,858	26.1%
Indiana	\$370	Corn	\$884	41.9%
Iowa	\$475	Soybeans	\$1,689	28.1%
Kansas	\$845	Wheat	\$810	104.3%
Kentucky	\$1,550	Tobacco	\$441	351.5%
Louisiana	\$690	Cotton	\$282	244.7%
Maine	\$225	Potatoes	\$108	208.3%
Maryland	\$235	Greenhouse	\$176	133.5%
Massachusetts	\$375	Greenhouse	\$122	307.4%
Michigan	\$730	Corn	\$196	398.0%
Minnesota	\$430	Soybeans	\$769	55.9%
Mississippi	\$810	Cotton	\$532	152.3%
Missouri	\$1,100	Soybeans	\$808	136.1%
Montana	\$790	Wheat	\$332	238.0%
Nebraska	\$330	Corn	\$1,003	32.9%
Nevada	NA	Hay	\$46	NA
New Hampshire	\$245	Greenhouse	\$15	1,633.3%
New Jersey	\$195	Greenhouse	\$192	101.6%
New Mexico	\$565	Hay	\$69	818.8%
New York	\$600	Greenhouse	\$208	288.5%
North Carolina	\$1,400	Tobacco	\$730	191.8%
North Dakota	NA	Wheat	\$701	NA
Ohio	\$540	Soybeans	\$741	72.9%
Oklahoma	\$975	Wheat	\$290	336.2%
Oregon	\$1,825	Greenhouse	\$210	869.0%
Pennsylvania	\$475	Greenhouse	\$298	159.4%
Rhode Island	NA	Greenhouse	\$38	NA
South Carolina	\$790	Tobacco	\$149	530.2%
South Dakota	NA	Wheat	\$238	NA
Tennessee	\$1,225	Cotton	\$178	688.2%
Texas	\$835	Cotton	\$980	85.2%
Utah	\$330	Hay	\$45	733.3%
Vermont	\$370	Hay	\$9	4,111.1%
Virginia	\$825	Tobacco	\$114	723.7%
Washington	\$1,200	Apples	\$462	259.7%
West Virginia	\$740	Apples	\$22	3,363.6%
Wisconsin	\$385	Corn	\$229	168.1%
Wyoming	\$250	Sugar beets	\$37	675.7%
U.S. total	\$33,095		\$20,624	160.5%

Source: USDA; NORML; EIR estimates

FIGURE 4

In 37 states marijuana outranks the leading crop in harvest value

(status as of 1987)



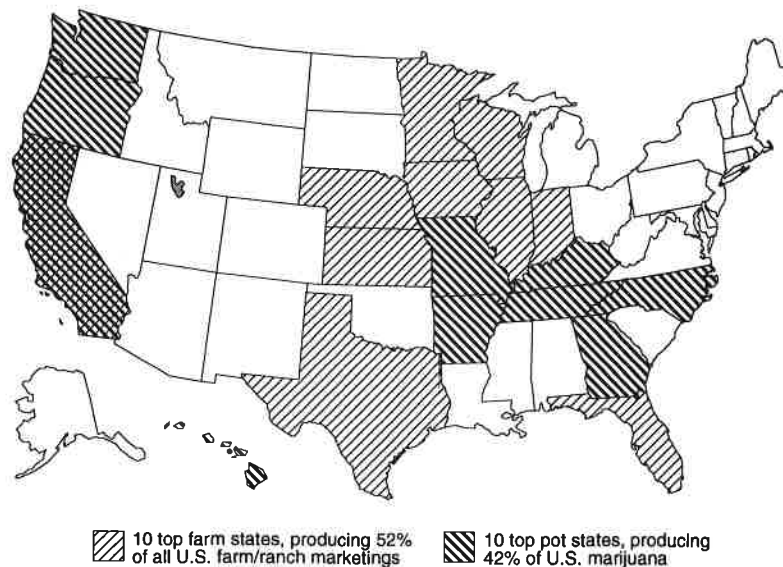
Source: USDA; NORML; EIR estimates

* N.A. = data not available

FIGURE 5

Only California is both a top farm and marijuana state

(status as of 1987)



Source: USDA; NORML; EIR estimates

the country, and the top 10 marijuana states. Only California ranks in both. The top 10 farm states account for 52% of the total crop and livestock commodity marketings in 1987. The top 10 marijuana-producing states account for 42% of the harvest value of all marijuana produced in the United States in 1987.

Marijuana centers

It is clear that the two centers of marijuana production are 1) the Pacific states: Hawaii, California, Oregon, and Washington, and 2) the eastern central states of Arkansas, Missouri, Tennessee, Kentucky, Georgia, and

North Carolina. The adjacent counties of southwestern Virginia, and other remote parts of adjoining states, such as West Virginia, could also be included.

The Pacific states were famous in the mid-1980s for what was called the "Emerald Triangle," in northern California. However, in the past three years, networks of dope dealers have vastly expanded the number of growing areas with high-quality seeds, specialized growing equipment, and other inputs throughout the larger region. Hawaii's climate can sustain three crops a year. Places in southern California and Arizona have developed underground greenhouses, with grow lights and hydroponics.

The Eastern states marijuana cultivation is spread throughout the remote areas of the Ozarks and Appalachians. Both the farm crisis of the 1980s, and the layoffs in the coal fields, have left thousands with no livelihoods and no hope. In this poverty belt, both local residents and the carpetbagger pothead entrepreneurs have moved to create "marijuana zones." In the atmosphere of economic downturn, there are plenty of

Our sources and method

The agricultural statistics used in this study come from the U.S. Department of Agriculture's Economic Research Service, "State Financial Summary, 1987."

The state-by-state marijuana production statistics come from a June 17, 1988 press release issued by the National Organization for the Reform of Marijuana Laws (NORML), and have been cross-checked in aggregate terms against official U.S. government statistics published by the National Narcotics Intelligence Consumers Committee (NNICC—an inter-departmental committee which includes DEA, CIA, FBI, State Department, and other federal agencies), data provided by U.S. congressional committees, and international statistics provided by various producer nations.

The NORML statistics are substantially higher (3-4 times) than those provided by most U.S. government agencies (NNICC in particular). Both NNICC and NORML start from the official DEA figures for tons of marijuana eradicated. NNICC then estimates total crop size based on their assumptions regarding what percentage of the total crop they believe to have been eradicated. Thus, in 1987, they assumed that the DEA eradicated almost two-thirds of all marijuana production; in 1989, they more modestly claimed only one-half was eradicated. NORML's estimate—based on state-by-state budget analyses, *in situ* reports, etc.—is that, from the mid- to late 1980s, only 16% of the crop was eradicated, and they derive their global estimates from this.

So, who is right?

The NNICC notoriously underestimates most drug production statistics, for a combination of political and methodological reasons. Take the case of coca production in Peru. In our July 8, 1988 issue, *EIR* used official Peruvian statistics to estimate that total 1987 coca production in that country was about 300 tons (maximum HCl of cocaine capacity)—50% higher than the NNICC's estimate for that year. But the 1989 NNICC annual report subsequently revised their own earlier estimates upward, making their 1989 figures consistent with *EIR*'s—and de facto admitting that *EIR* was right all along.

NNICC figures for Mexican marijuana production are also revealing. Their 1989 report states them as follows:

1987 = 4,200 tons
1988 = 4,710 tons
1989 = 42,283 tons

state troopers, sheriffs, and deputies, in addition to crooked judges, who are not prepared to root out the dope networks. They are frequently the local "Yo Boys" who get a kick out of packing a gun, having some cash, and looking the other way. The law enforcement officer or citizen who does try to take action in this environment, is targeted for harassment or even death.

Extensive acreage in the national park lands is planted to marijuana, both because of the remoteness of the land, and because the grower calculates thus to avoid personal property seizure in case he is caught. The 661,000-acre Daniel Boone National Forest in Kentucky has had large patches of marijuana sown in secluded hollows, behind corn fields, and inside rows of corn. In Hawaii, on the Big Island, marijuana growers take advantage of vast tracts of the undeveloped land.

Even the pattern of occasional drug busts provides enough public information to show the social and geographic characteristics of the marijuana cultivation:

The gigantic, order-of-magnitude jump for 1989, the NNICC admits, is *not* due to that much new production, but to the fact that their earlier numbers were much too low. Or, as they put it: "This increase is the result of improved estimation methodologies and a review of cultivation areas that had not been included in previous years."

In 1986, the House Select Committee on Narcotics Abuse and Control published figures on U.S. marijuana imports (30,000 tons) which were two to three times the standard NNICC figures. These congressional figures are far closer to NORML's estimates than those of the NNICC.

So it is safe to assume that the NNICC is substantially understating U.S. pot production. But are NORML's numbers any more accurate than the government's?

It is EIR's view, after careful examination of the data, that, even though NORML has "an ax to grind" (they wish to impress upon the public the size of U.S. pot production, in order to promote its legalization), their global statistics more closely reflect reality than do any other published data series. (We cannot at this time vouch for their state-by-state breakdown.)

To further verify at least the order-of-magnitude accuracy of NORML's figures, EIR independently estimated non-U.S. marijuana production in the Western Hemisphere at approximately \$115 billion in 1987 (see EIR, Nov. 9, 1990). If NORML's data are accurate, then U.S. pot production of \$33 billion that year would constitute about 22% of the value of the total output from the Western Hemisphere. The vast majority (80-90%) of this hemispheric marijuana is consumed in the United States, so that the proportions that apply to hemispheric production pretty much hold for the proportions of U.S. consumption coming from different hemispheric suppliers. That is, it is safe to assume, based on the above statistics, that the United States itself produces about 22% of the marijuana consumed in this country.

Compare this with the DEA's own estimates on U.S. consumption. They report that about 25% of the pot consumed in the U.S. is produced domestically. This is in the same ball park as the percentage which results from employing NORML's numbers in combination with EIR's calculations—in fact, it is surprisingly close, given the obvious difficulty of accurately calculating the size and value of what is still an illegal crop.

Clay County, Kentucky: As many as 40% of the county's 24,100 citizens grew marijuana as of 1989, according to local authorities. The county has suffered 25% unemployment, compared with an official rate of 6% nationally; half the population is living on Social Security, disability, or unemployment payments; there is a 50% dropout rate from high school, compared with 25% nationally.

This area is a former coal-producing region where the mines shut down. As of a year ago, Clay County was the largest producer of marijuana in Kentucky, which in turn is the third-largest producing state in the nation.

Southwestern Virginia: The same situation prevails in this 15-county region, where coal mining is dying out, and there is nothing else growing in this mountainous area. Last summer, one raid destroyed 10,753 plants there, with a value roughly estimated to be \$10.7 million.

Two new patterns are apparent in the Pacific states:

Hawaii: For the last decade, this state has been the first or second largest marijuana producer in the nation. Marijuana plots as large as a quarter of an acre came to dot the state forests. Some growers hid their crops amid sugar cane fields. When a six-month eradication effort called Operation Wipeout was conducted last year, it was estimated that 800,000 plants were destroyed. This represents about 80% of the estimated outdoor plants, and shows the extent of the dope operations, which press reports of the raid estimated to be \$8 billion.

California: Some dope growers from California's Emerald Triangle have moved south to avoid harassment from law authorities. They have invested in high-tech underground pot production. The Drug Enforcement Administration captured 130 indoor farms in 1989, and over 260 in 1990. The most advanced setups are designed to produce four crops a year. One "farm" raided last fall in the desert near Lancaster cost about \$1 million to build, and had the potential to grow 8,500 plants four times a year, for an annual profit of \$75 million.

The farm states

Both the raids and the statistics show that the average farmer is *not* viewing marijuana as an alternative, despite the encouragement that the Reagan-Bush economic "recovery" provides. The map in Figure 5 shows that the grain belt states are not part of the pattern of the 37 other states where the harvest value of marijuana exceeds the value of the state's top crop (excluding dairy or livestock). The corn belt states produce relatively little marijuana—if hundreds of millions of dollars per year can be considered "little." They only look good in comparison to the West Coast and Appalachian "marijuana belt." Typically, various plots of wild types of marijuana are cultivated in the grain belt, and few high-tech greenhouses are used.

In none of the top 10 U.S. farm states does the value of marijuana outrank that of the top farm commodity, as Table 2 shows. However, in California and Florida, marijuana harvest value exceeds the value of the greenhouse and nursery output—the second-ranking commodity in each state.

The harvest value of marijuana exceeds that of the third-ranking commodity in four states: California (cattle), Texas (wheat), Kansas (grain sorghum) and Florida (tomatoes).

Dope moves in where farm policy failed

Last December, the *Chicago Tribune* syndicated an article titled, "Hemp touted as cash crop with side effect of legalized marijuana." It sang the praises of marijuana for making paper, medicine, and other uses, saying that farmers could make huge profits from growing hemp, according to the Illinois Marijuana Initiative (IMI). "This is definitely a cash cro. It could mean billions of dollars for U.S. farmers. . . . It's already the nation's leading illegal cash crop," said the IMI's Mike Rosing.

Such arguments are aimed, not at farmers, but at softening up the non-farm population for more dope and degradation. No traditional, independent family farmer, in his or her "right mind," is so befuddled that he thinks it is wise to base national farm policy, and individual decisions about what to grow, on dope.

However, U.S. farm policy over the past 25 years has been a disaster. And millions of Americans—farmers included—have been "out of their minds" to have tolerated it. If it continues, they will soon have no choice but to grow pot—or starve.

What 'recovery'?

Over the 1980s decade of the "Reagan-Bush recovery," crisis hit the U.S. farm belt. An estimated 400,000 farmers were bankrupted or forced to quit by selling out or abandoning their operations.

Under orders from the food cartels, whose executives direct the programs of the U.S. Department of Agriculture (USDA), the U.S. government followed a radical free market policy, in the 1985 five-year farm bill and in the General Agreement on Tariffs and Trade (GATT) negotiations. A government study predicts that if the U.S. GATT proposal were to go through (or a domestic farm law equivalent), 500,000 farmers more would be wiped out by 1992.

The mass impoverishment of American family farmers over the 1980s was accomplished by a combination of high interest rates, removal of financing sources, devaluation of farm assets, plus high costs for inputs, and low prices for outputs. This is in exact parallel to the impoverishment of Third World nations.

In 1981, U.S. agriculture had a total assets value of \$1 trillion, which dropped to \$760 billion by 1990—a 24% plunge. Over this decade, lending agencies devalued the collateral backing farmers' loans, and demanded more collateral and higher interest rates on debt. After Paul Volcker became head of the Federal Reserve in 1979, his high interest rate policy caused some farm lending to exceed a 20% interest rate.

For awhile, in the early 1980s, farmers scrambled to hock everything they owned, and went deeper into debt. Applications soared to the Farmers Home Administration (FmHA), the farmer's lender of last resort.

By the mid-1980s, total agriculture debt reached over \$215 billion, held by three major lending groups: the FmHA, the commercial banks, and the Production Credit Associations (PCA), a private entity with limited government backing. Then the axe fell. The Reagan-Bush administration ordered creditors to "tighten up" on loans. By 1990, total national agriculture debt was brought down to less than \$190 billion, by a process of shutting down hundreds of thousands of farmers, and squeezing others to the bone. The USDA dumped thousands of their FmHA farm borrowers through forced bankruptcy. Hundreds of small, local farm banks went under.

This situation prevails today. Farm communities have become ghost

towns. And with the low prices for farm commodities, farmers are still unable to service debt and capitalize their operations.

The prices of all farm commodities in the United States, just as internationally, are artificially depressed by the food cartel companies—Cargill, ADM/Toepfer, Louis Dreyfus, Continental, Bunge, André/Garnac, and a few others—whose policy is to liquidate the independent family farm. Most farm prices are less than half of parity (a fair price covering cost of production, and a return on investment sufficient to guarantee the capitalization necessary for continued food production). The USDA issued a report in 1987 saying that parity is an outmoded concept.

The case of wheat

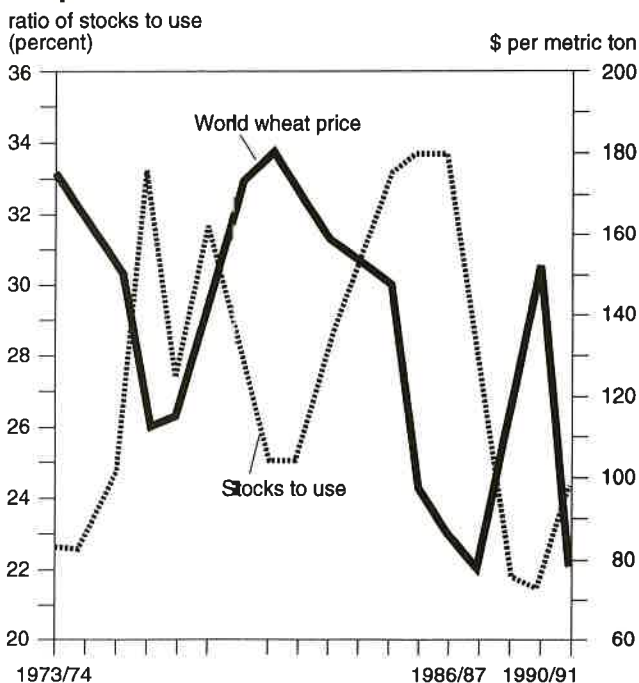
The crisis is exemplified by the current situation of wheat, the staff of life. **Figure 6** shows that wheat prices have plunged over the last eight months. The average price today is \$2.38 a bushel, lower than it has been in 20 years, and *half* the minimum cost of production.

Contrary to any propaganda you may hear, this does not represent a glut of wheat on the market, nor any suppression of prices according to some mythical law of supply and demand. Instead, it represents systematic underpayment of farmers by the cartel grain brokering companies that monopolize the world grain trade and domestic distribution. It has been the policy of London and Washington, D.C. to condone this underpayment of farmers for their food output, in the name of "free market" competition.

Wheat is, in reality, *scarce* relative to need. On a world basis, less grain of all types was harvested from 1987 to 1989, than was consumed. While over 2 billion tons of grains of all types were needed for consumption, only 1.6-1.75 billion tons were produced. Of this, wheat output leveled

FIGURE 6

Food cartels depress wheat price to farmers despite low stocks



Source: USDA

off at about 420 million tons. For the minimum for decent diets, over 3 billion tons would be required for direct consumption as cereals, and indirect consumption through livestock products.

Grain reserve stocks of all types were drawn down from 1986 to the present. Therefore, the first decent harvest year during that period, 1990, does not make up for this drawdown, nor for the fact that millions have been deprived of adequate nutrition. Over the 1980s, food output per capita declined in Ibero-America. Food output per capita in Africa has declined so drastically over the past 20 years that starvation is occurring on the scale of genocide.

The graph shows that the "stocks-to-use ratio" for wheat is low. This illustrates that prices to the farm should be much higher.

With minor changes, the wheat and grain picture holds true for other dietary staples—oils, sugars, meat, milk, fruits, and vegetables. Prices have fallen to the farmers while shortages are forcing millions to go hungry.

In this depressed environment, the "marijuana industry" has taken hold.

X. 'Dope, Inc.' is doubling every five years

An EIR task force recently completed a detailed survey of the size, composition, and growth rates of the international drug trade. The findings are shocking. Contrary to the self-serving propaganda issued by the Bush administration, consumption of mind-destroying drugs such as marijuana and cocaine is *not* declining in the United States; it is *not* contained; its rate of growth is *not* even leveling off. It is skyrocketing. There are currently about 70 million Americans who have consumed drugs—nearly one-third of the total population.

Moreover, the single, integrated, multinational cartel which runs this trade, and which is properly referred to as "Dope, Inc.," is now engaged in a vast expansion of its markets in Europe and Japan, which, if not checked, will do to their youth, their cities, and their economies what has already been done to ours in America.

Back in 1986, EIR researchers wrote the controversial book *Dope, Inc.*, in which they concluded that the U.S. drug trade at that time grossed a minimum of \$250 billion per year, and that if non-U.S. drug trafficking and other aspects of the "black economy" (such as the illegal weapons and gold trade) were taken into account, the total figure would be in the range of \$500 billion per year.

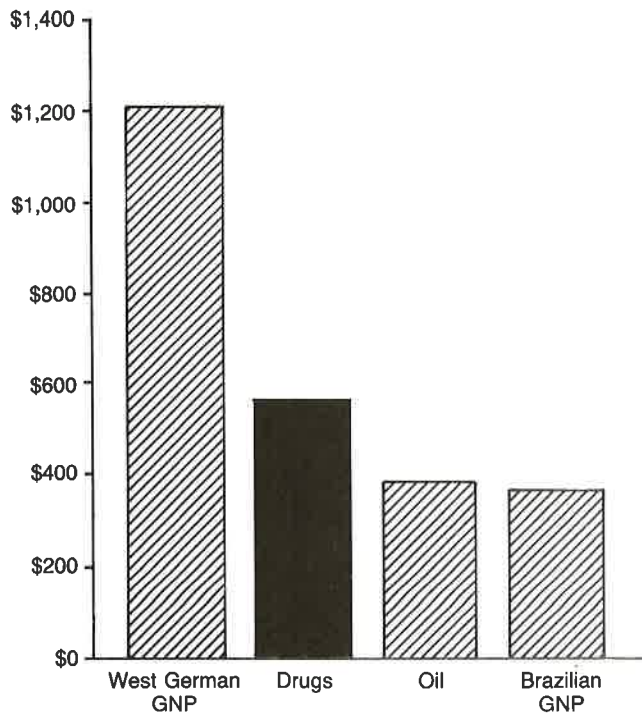
It can now be demonstrated that those figures were, if anything, *too low*. In 1986, world drug trafficking alone was close to \$400 billion. By 1989, the last year for which figures are available, that total had leapt to \$558 billion. This is much larger than the annual world consumption of oil. It is more than 50% larger than the Gross National Product of Brazil, the largest nation of Ibero-America, and the eighth-largest economy in the capitalist world. It is about half the GNP of West Germany, the most powerful economy of Western Europe (Figure 1).

These are conservative calculations, based mainly on official production statistics of the Drug Enforcement Administration (DEA), adjusted to assume that 10% of the quantity produced is lost through seizures and spoilage. (See accompanying box for details on the data and methodology employed in this survey.) If we were to also consider other areas of the so-called "black economy"—illegal weapons, gold, and other transactions related to the drug trade—it is likely that the total would be closer to \$1 trillion for 1989.

FIGURE 1

World drug trade is larger than most nations' national product

(billions \$)



All of it is a cancer; it is a sickness which is destroying the productive economies of both the advanced and developing sectors of the world.

Exponential growth

The drug trade has been growing exponentially over the past 10-15 years. **Table 1**, based on production estimates, shows that Dope, Inc.'s annual revenues from street sales of drugs rose from \$175 billion back in 1977, to about \$400 billion in 1987, to \$558 billion in 1989. It has been growing by an average of about 18% per year over the last few years—more rapidly than any productive economy on the face of the Earth. *At this rate, Dope, Inc.'s size doubles every five years!*

Its main components are cocaine (where Ibero-America is the sole producer worldwide), marijuana and hashish (where Ibero-America and the United States are the biggest producers), opium and heroin (where the largest amounts by far are grown in Southeast and Southwest Asia), and other synthetic chemical drugs such as amphetamines, LSD, and so on. We will look at each of these components in more detail shortly, but for now, notice that Ibero-America currently produces about 55% of the world total value of drugs—up from a 43% share 12 years ago.

This does not mean that Ibero-American nations receive this drug money. Quite the contrary: The large international banks that finance the drug trade get it and launder it, using it to prop up their bankrupt international financial system. **Figure 2** shows that, over the past 12 years, the total cumulative revenue that the banks have received from just the Ibero-American portion of the drug trade, is almost \$2 trillion. This dwarfs even the gigantic Ibero-American foreign debt of \$430 billion.

TABLE 1

Retail value of world drug trade grew exponentially from 1977-89

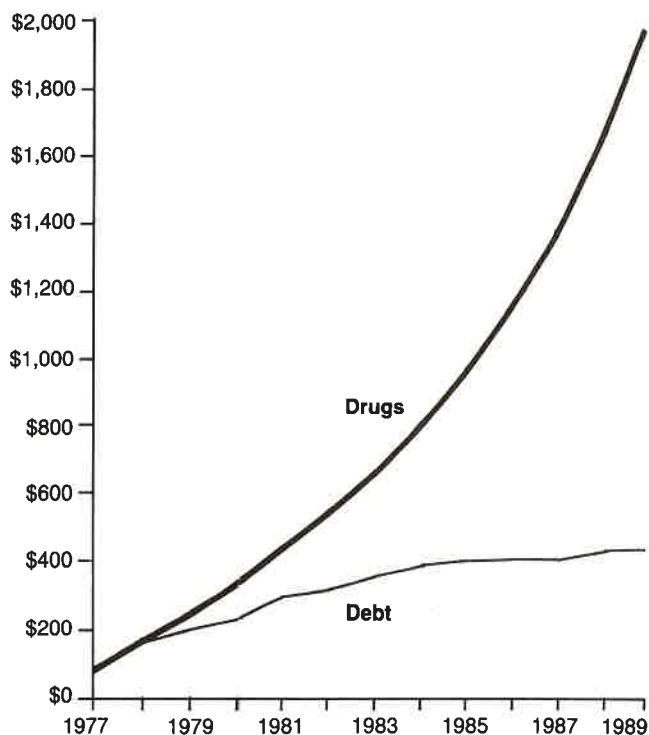
(billions \$)

	1977	1982	1987	1988	1989
Cocaine					
Total	52	83	99	106	113
Ibero-America	52	83	99	106	113
Marijuana and hashish					
Total	40	60	156	254	273
Ibero-American marijuana	19	15	114	185	178
U.S. marijuana	—	—	30	53	76
Southeast Asian marijuana	—	—	4	6	7
Hashish	—	—	8	10	12
Opium					
Total	50	60	83	89	100
Ibero-America	4	3	11	11	17
Southeast Asia	—	—	38	44	51
Southwest Asia	—	—	34	34	32
Others, total	33	47	65	68	72
World total	175	250	403	517	558
Total from Ibero-America	75	101	224	302	308
Ibero-America as percent of world	43%	40%	56%	58%	55%

FIGURE 2

Cumulative value of Ibero-America's drug trade is nearing \$2 trillion mark

(billions \$)

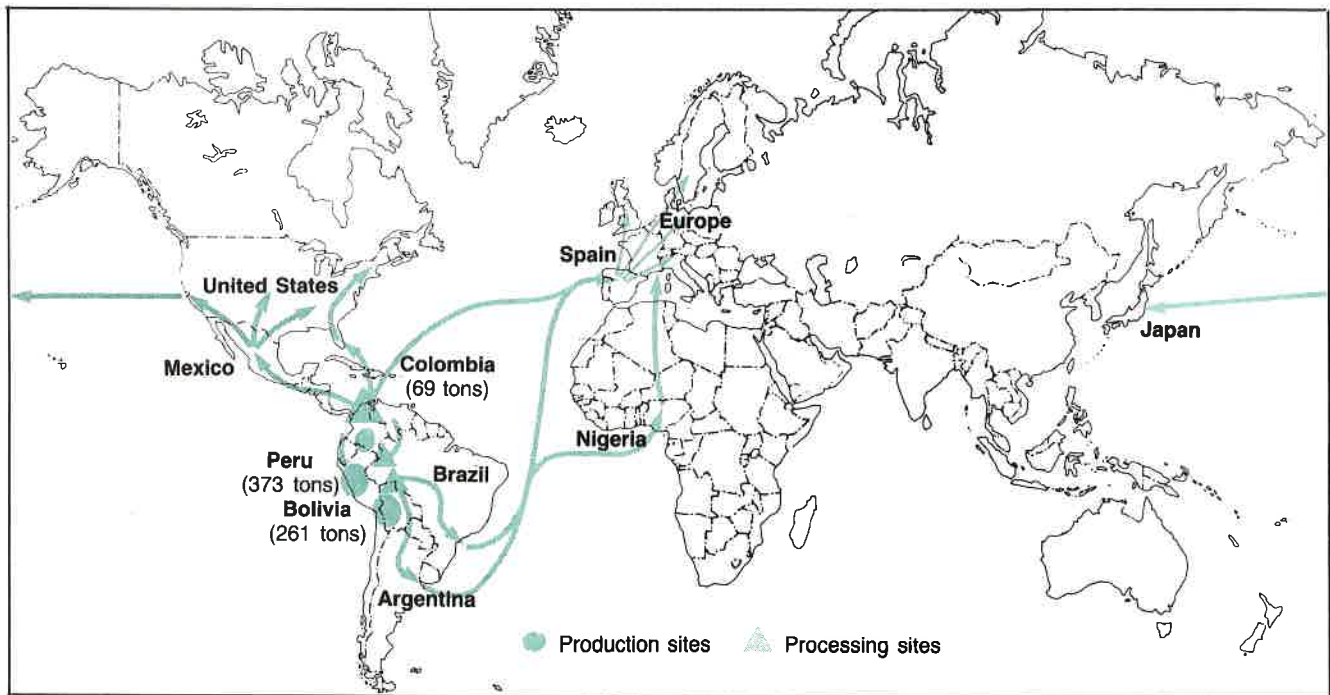


Cocaine

Where are the world's illegal drugs produced and processed? What are the distribution routes? Let's begin with the case of cocaine.

As we mentioned before, cocaine is the one drug that is produced almost 100% in Ibero-America, as we see in **Figure 3**. The coca leaves are grown here, and the processing laboratories which produce the basic paste of cocaine, and then the refined cocaine, are located here.

FIGURE 3

Cocaine production sites and distribution routes

In 1989 the continent as a whole produced 703 tons of cocaine hydrochloride, measured in terms of maximum potential cocaine production if all known coca leaf harvested were refined into cocaine. (This is the standard international unit for measuring cocaine.) As the map shows, by 1989 Peru had assumed the lion's share of coca production (373 tons), followed by Bolivia and Colombia. However, the bulk of refining of coca paste or base into pure cocaine occurs in Colombia, followed secondarily by Bolivia and Peru, which refine only a small portion of their coca base. Therefore, the figures should not be misunderstood to imply a lesser role for Colombia in the cocaine trade: They simply indicate that its local production of coca leaves is less than that of Peru and Bolivia.

A critical input to the transformation of coca leaves into cocaine, are certain chemicals, such as ether and acetone. Although these are legal chemicals that have valid industrial uses, they are obtained illegally by the drug runners in large quantities, principally from the United States, Western Europe, and also Brazil.

Figure 4 shows the shocking growth of the volume of cocaine production in Ibero-America. It increased almost sixfold in the decade from 1977 to 1987 (from 90 tons to 513 tons), and grew another 37% since then, to its 1989 total of 703 tons. The estimated amount for 1990 is a staggering 876 tons. These increases are due both to increased hectares under cultivation, and to improved productivity on those already in use.

We see in Figure 5 what this translates into in terms of average annual growth rates. In the five-year period of 1982-87, cocaine output grew by an average of 15% per year. In 1988 and 1989, that increased to 16% and 18% respectively; and for 1990, everything indicates that cocaine production will leap by another 25%.

These are hardly the signs of a victorious war on drugs.

Historically, the vast majority of Ibero-American cocaine has been shipped to the United States from laboratories in Colombia and the



Paraphernalia in a New York City "head shop."

Larry Hecht

FIGURE 4

Ibero-America's cocaine production has risen sixfold since 1977

(tons)

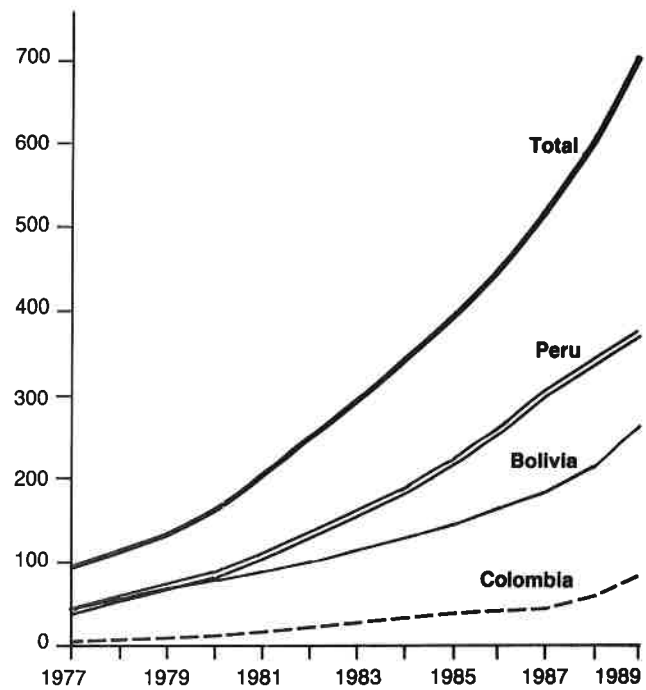
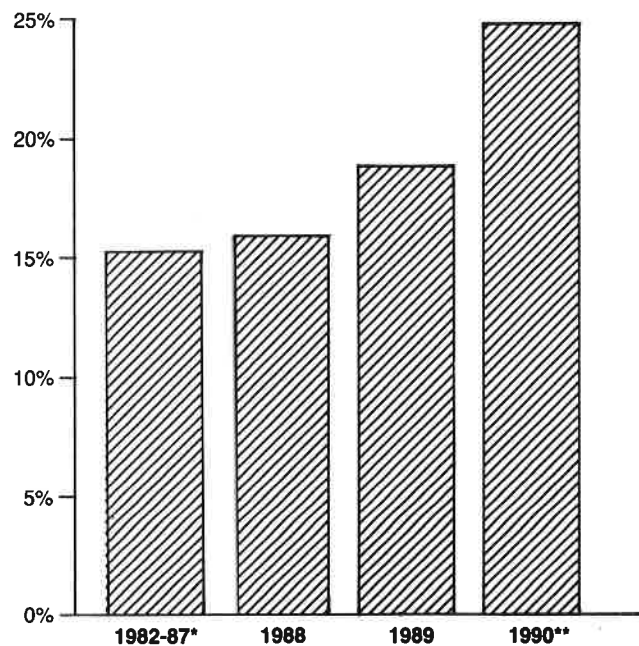


FIGURE 5

Ibero-American cocaine production is growing faster than ever

(annual rate of growth)



* Annual average.

** Production estimated at 876 tons.

trinitational triangle in the jungle area where Peru, Brazil, and Colombia meet. Up until a few years ago, the principal route was to the Miami area, by both air and sea. But increased surveillance and interdiction along this route have forced the mafia to develop a second major route through Central America and Mexico, before entering the western United States.

Cocaine for the European market is shipped directly from Colombia, as well as through Brazil and Argentina. Brazil is reportedly becoming an important refining center as well, producing 144 tons of cocaine last year, according to one report. Spain is the principal port of entry and logistical staging area for cocaine bound for all Europe, for the obvious reason of the historically strong commercial, linguistic, and also mafia links between Spain and Ibero-America.

Anti-drug investigators report that Nigeria has recently become an important new transshipment point in the European route.

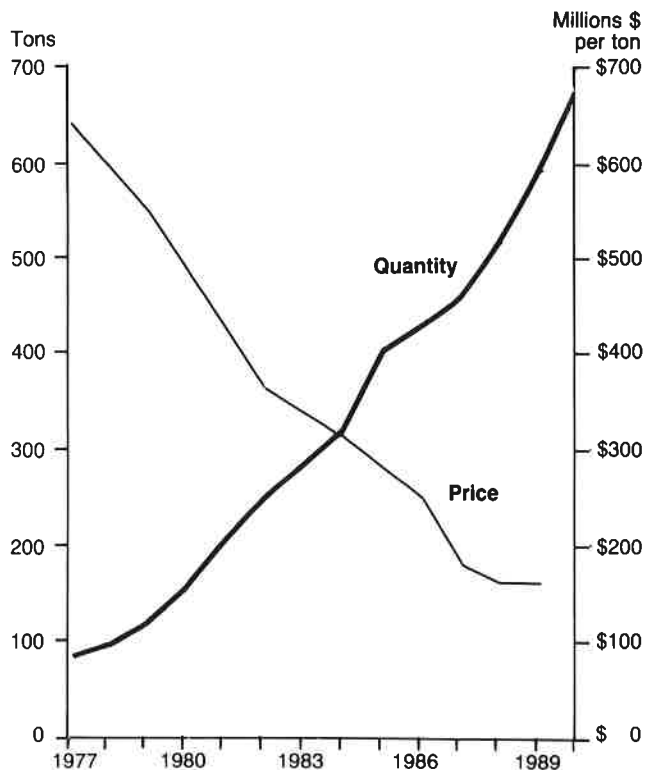
What does the future hold for the cocaine trade?

Take a look at **Figure 6**, which shows how the U.S. cocaine market was created. You can see that the average retail price of a ton of cocaine was \$640 million in 1977, and dropped dramatically to \$182 million in 1987, a decade later. In other words, the 1977 price was more than three times greater than the 1987 price.

As a result of this *deliberate marketing decision* by Dope, Inc., the amount of cocaine sold to American kids increased by almost six times in the same period! This price slashing is the typical way in which any cartel creates and seizes a market. So, cocaine went from being a high-priced drug for the upper middle class in 1977, to being a cheap dose of death, especially in the form of crack, for a mass market of millions of working-class and poor youth in the 1980s. Of course, Dope, Inc.'s total revenue from cocaine also rose substantially in the process.

FIGURE 6

Deliberate cuts in U.S. cocaine prices have created a huge market



From Chinese opium to Colombian cocaine

The narcotics trade has a history that goes back to the 11th and 12th centuries, when mind-deadening narcotics were used ritually by various religious sects and cults of assassins. Broader use began in the mid-1700s, when the international opium trade became a profitable business controlled by Britain's East India Company. By 1830, opium was the largest commodity in world trade, with the British selling it to targeted populations in China and elsewhere.

When the Chinese Emperor tried to stop the flow of opium into his country, the British declared the famous Opium War against China. Britain cynically argued that China was violating Adam Smith's sacrosanct economic laws of "free trade" by refusing to import the deadly opium!

The British won that war, and as a result, tens of millions of Chinese were forcibly subjected to the misery of narcotic addiction. The drug trade grew.

For the rest of the 19th century, British finance—backed by British guns—employed the totally legal world narcotics trade as an instrument of state policy, converting entire sections of the globe into producers and/or consumers of the opium poppy (see graph).

It wasn't until The Hague Convention was made effective in 1919-20 that trafficking in opium was made illegal. But this did not get in the way of the Anglo-American bankers: The same crowd that traded it legally before 1920, continued to trade it illegally afterwards. Anglo-American finance continues to dominate the world drug trade today.

However, beginning in the 1950s, the Soviets and the Chinese got in on the action. Nikita Khrushchov was convinced of Mao Zedong's war strategy of using drugs to corrupt and destroy the West. The Communists' gradual expansion sped up after 1967, when Yuri Andropov took over the Soviet KGB. Andropov's policy was to aggressively promote drugs in the West, and to use Soviet-sponsored terrorist groups as part of this effort.

But the picture gets worse. As the American market begins to reach "saturation" levels, as an entire generation is destroyed by this epidemic, Dope, Inc. is turning its attention to what it hopes are the markets of the future: Europe and Japan.

Figure 7 shows the cocaine price and quantity trends for Europe over the last five years: a precise replica of the tragedy that has swept the United States.

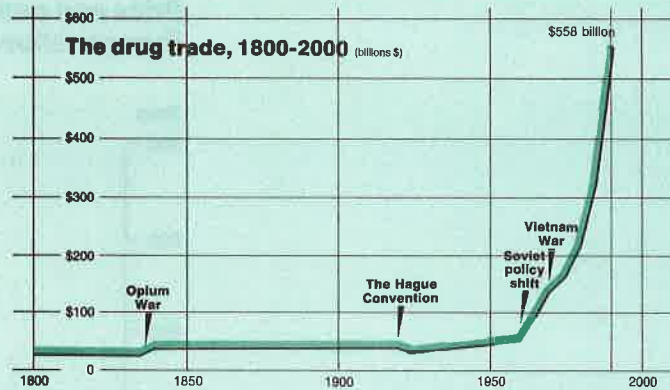
In 1987, the retail price of cocaine in Europe was \$510 million per ton, about what it was in the United States in 1979-80. In the last two years, the European price has plummeted to \$262 million per ton, half of what it was in 1987. What took a decade to achieve in the United States is being executed in Europe by the drug mafia in one-third that time.

The consequences are identical. European consumption of cocaine is skyrocketing, as can be seen in the graph.

If one compares Figures 6 and 7, the similarity of the process is striking—only it is happening far more quickly in Europe.

Figure 8 compares the rate of price decline, and the rate of quantity increase, in the United States and Europe over the indicated years.

It should be noted that, when we refer to Europe, until 1989 we are referring to Western Europe. But now, with the peaceful revolutions that have swept Eastern Europe, and especially with the unification of Germany, there is a new situation. Just as this New Europe is humanity's greatest hope in terms of the potential for economic development, so too is it viewed by Dope, Inc. as a potential new and larger market for drugs. And the traditional European mafias are on board for this project.



On the Anglo-American side, they provided the Sino-Soviets the golden opportunity they were waiting for, with the Vietnam War. From the late 1960s through the mid 1970s, tens of thousands of American soldiers in Vietnam pumped their veins full of Chinese heroin, and brought their addictions back to the United States. Inside the U.S., Vietnam veterans, anti-war students, and other vulnerable sectors of the population were then deliberately saturated with heroin, marijuana, and such experimental drugs as LSD, and with the rock-sex counterculture that was also deliberately created in order to spread the drug plague. By the last half of the 1970s, large amounts of marijuana were entering the U.S. from mainly Mexico, and later Colombia.

In the 1980s, cocaine became the fashionable drug, and as the debt crisis swept Ibero-America, and the economies of the nations were destroyed by the austerity demanded by the International Monetary Fund and the creditor banks, the bankers' drug cartel stepped in to fill the economic vacuum.

The *Wall Street Journal* reached a similar in a Nov. 16, 1990 article: "Illegal exports of Latin American cocaine to Europe have jumped sharply this year, and some experts estimate they are running at almost twice their 1989 level." The article noted that, "according to U.S. narcotics officials and Latin Americans familiar with the cocaine trade . . . [there is] a major export drive to Europe. . . . 'The Europeans are where we were 10 years ago,' said a DEA official. 'They are facing a cocaine epidemic.' "

Japan is also a prime target of the drug mafia, although so far the drug runners have been unable to cut a deal with that country's traditional organized crime apparatus.

New routes being developed

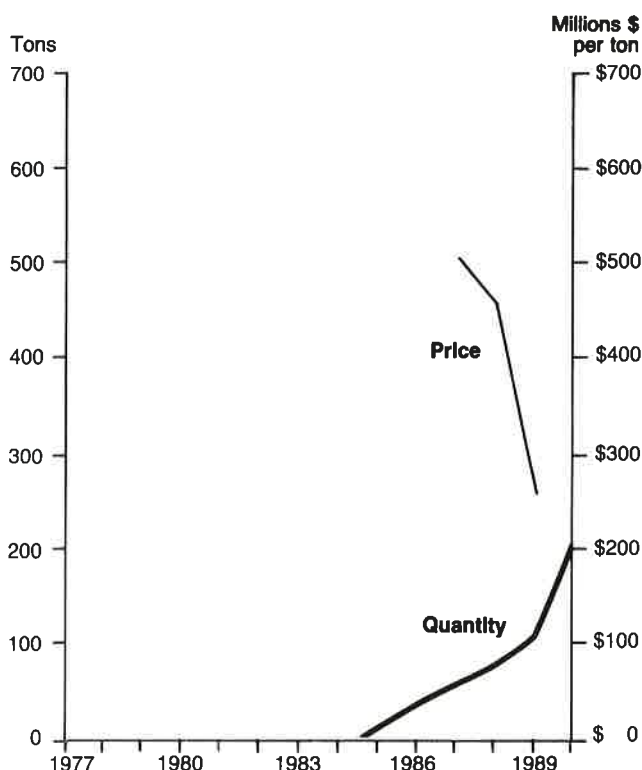
There are strong indications that a new pattern of cocaine routes and processing facilities began to evolve in late 1990 and early 1991.

The Colombian drug cartels "have decided to move their [cocaine] laboratories to Brazil and Ecuador, mainly the first, and to use different routes . . . to send the drug" to the United States and Europe, according to a report issued in late 1990 by Interpol, the international law enforcement agency. The study, as cited in December 1990 by the Colombian daily *El Espectador*, explained that this shift was "part of a new strategy" of the Colombian cartels, to diversify and expand their activities.

Interpol's estimation has been confirmed by a number of diplomatic, journalistic, and U.S. Drug Enforcement Administration sources consulted by EIR.

A European diplomat with access to thinking among U.S. and South

FIGURE 7

Price and quantity of cocaine exported to Europe follows U.S. pattern

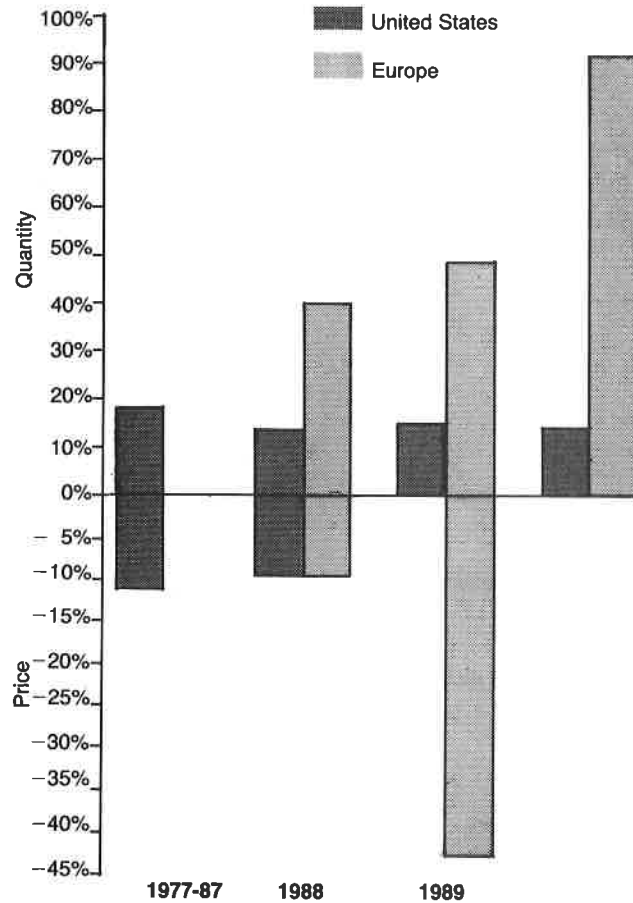
American anti-drug officials, told *EIR* that one of the principal reasons behind the dope cartels' willingness to hand over their Colombian laboratories to the authorities, is that they have *already* transferred the bulk of their processing operations and clandestine air strips into the Brazilian Amazon jungle and to across the border into Ecuador and Peru (see **Figure 9**). Since, in exchange for supposedly "coming clean," the narco-traffickers will be virtually legalized and granted power-sharing status in the country, Colombia is slated to become a kind of "command and control" headquarters for the reorganized trade. "Reformed" narco-traffickers will freely walk the streets of Bogota—and the halls of Congress. The dirtiest aspects of the drug business will no longer occur within Colombia's borders: They will just be run from there.

U.S. anti-drug officials have concluded, according to the *Washington Post*, that "large numbers of Colombians have now moved to the Peruvian side of . . . the border and . . . the Cruzeiro do Sul region of western Brazil." An article in the Sept. 17, 1990 *Chicago Tribune* also reported on Brazil's growing role in the drug trade, since "with gigantic jungle areas bordering Colombia, Peru, Bolivia, and Venezuela, Brazil is perfectly situated to serve as a giant clearinghouse for its neighbors' drug exports, some officials warn."

Brazil is particularly useful as a jumping-off point for cocaine bound for the European market, principally via Spain. As the abovementioned *Washington Post* article noted, "Brazil is also believed to be a key shipping point to Europe, a market the cartels are seeking to expand with an eye towards 1993, the year that border controls between European Community members are due to be eliminated." Since the distance between South America and Europe is too great for the drug cartels' small planes

FIGURE 8

Rates of change in price and quantity of cocaine show Europe is targeted



to handle, they "are switching from the use of small aircraft to container ships to get their product out," according to U.S. and Colombian officials. Experts report that, at the European end, only about 10% of all incoming containers can be inspected for drugs, given the authorities' limited resources.

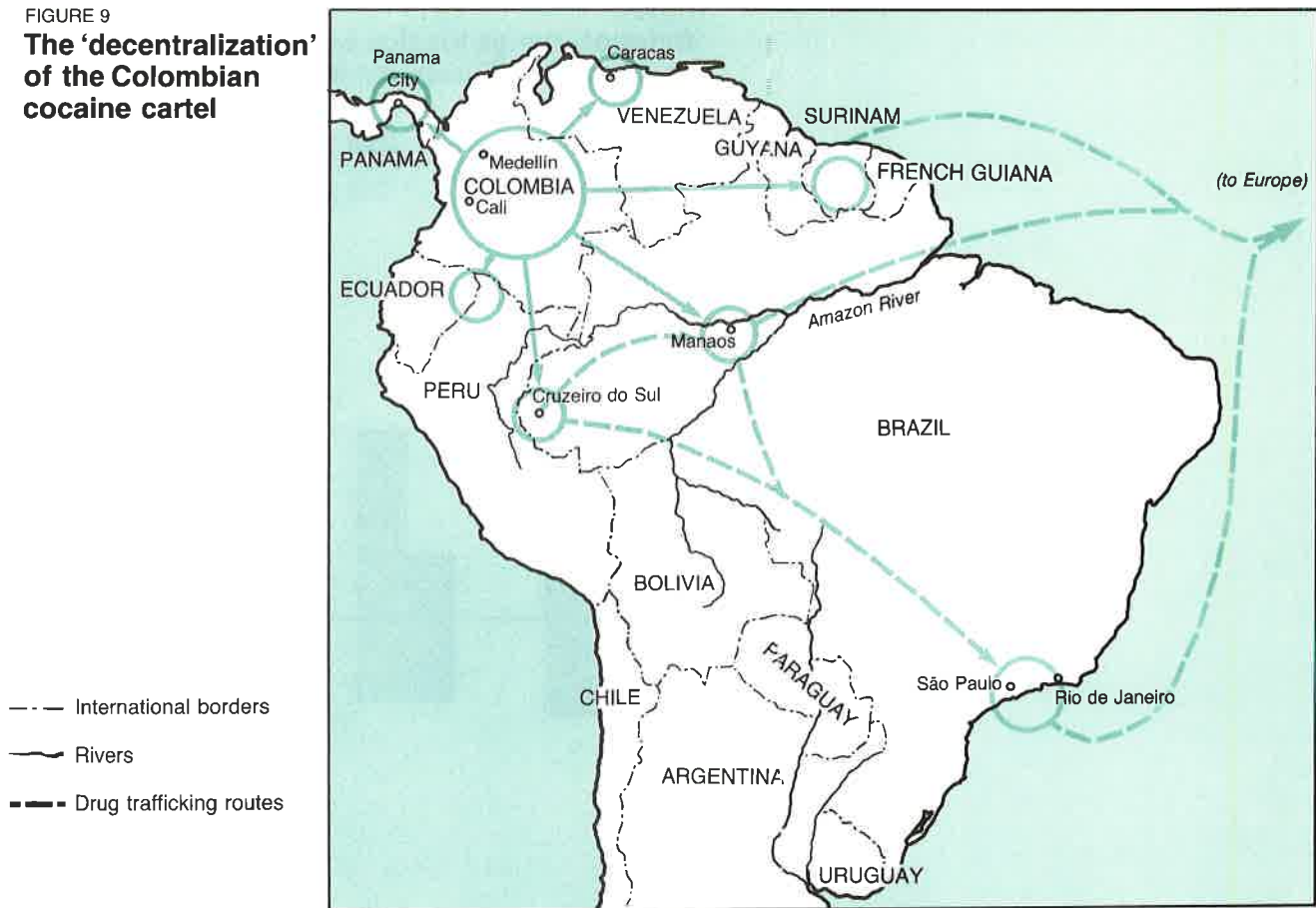
DEA officials have confirmed this pattern to *EIR*, observing that certain countries in Africa, in particular Nigeria and Morocco, are emerging as important stepping stones and warehousing centers for the South America to Europe trade. The former Dutch colony of Surinam is becoming an important transshipment point in South America, given its excellent shipping and other links to the Dutch ports of Rotterdam and Amsterdam.

Another advantage of Brazil for the drug lords is that, unlike Colombia, it produces many of the industrial chemicals, such as ether and acetone, which are used in processing the coca leaf into cocaine. Roberto Percioso, a Brazilian narcotics agent cited in the Nov. 4, 1990 *Miami Herald*, put it succinctly: International traffickers increasingly view Brazil "as a paradise."

In this emerging new division of labor of Dope, Inc., Venezuela is slated to play an enhanced role as a money-laundering center. The recently promulgated foreign investment and banking reforms there are designed to facilitate the takeover of the country's entire banking sector by the large Wall Street banks, and will encourage "hot money" flows

FIGURE 9

The 'decentralization' of the Colombian cocaine cartel



related to the drug trade. In fact, Venezuela's then-Supervisor of Foreign Investments, Edison Perozo, warned on Feb. 21, 1990 that the new foreign investment and banking laws could lead to "the establishment of a narco-economy" in Venezuela, and facilitate "the infiltration of the infamous mechanisms of money laundering." Perozo subsequently resigned his post in protest.

Panama's role in the drug trade is also increasing as a result of this reorganization—and the U.S. invasion of December 1989. As most major U.S. newspapers have come to admit over the last few months, drug trafficking in Panama has *increased* since American troops overthrew the legitimate government in that country, toppled Gen. Manuel Noriega, and installed a puppet regime with proven links to drug money-laundering banks.

But perhaps most ominous of all is the news that the Colombian cocaine cartel may have begun to transform itself into a cocaine *and* heroin cartel. Various newspapers have reported that the Colombian mafia chiefs has reached an agreement with their Asian counterparts, and have begun to plant imported opium seedlings in a number of remote areas of South America. They also seem to have imported Asian chemists to help them process the product, and for the first time Colombian trafficking networks in the United States have begun to wholesale heroin with purities as high as 90%, and with the exact chemical composition of the notorious, high-quality "China white" heroin.

Why the new "product line?" Some DEA experts believe that the U.S. is approaching a kind of saturation level of cocaine and "crack" consumption, and suspect that Dope, Inc. is therefore planning to expand the sale of these drugs in Europe and Japan, while using the well-estab-

lished Colombian marketing networks in the United States to push a vast expansion of heroin here. As the Dec. 9, 1990 *Washington Post* reported, "some law enforcement officials fear that heroin is becoming so cheap and available that it will eventually start attracting a new clientele, particularly among crack smokers who are unable to sustain the frenetic lifestyles and frequent binges associated with their crack cocaine habits."

Marijuana and hashish

The picture is no better when we turn to marijuana. As **Figure 10** shows, Ibero-America is not the only producer—but it is the largest one. Mexico and Colombia are the biggest producers, but Jamaica is also significant, and Brazil has reportedly begun to grow a large, but unspecified, amount. The Mexican figures we employed for this study are particularly high, reflecting both the findings of a U.S. congressional committee, and a new U.S. government methodology for calculating production based on satellite detection of growing areas.

The lion's share of Ibero-America's marijuana production is exported to the United States, but a rapidly growing percentage of the U.S. market is now being supplied by marijuana grown right at home. In fact, DEA sources indicate that U.S. production of marijuana has tripled from 5,000 to 15,000 tons in the last three years.

Southeast Asia is the third important producing region for marijuana, but it is much smaller in size and seems to supply the Asian market principally.

The total world production of marijuana has been growing by about 13% per year between 1987 and 1989.

The relative shares of world marijuana production can be seen in **Figure 11**, for 1987, 1988, and 1989. Particularly noticeable is the growth of the U.S. share, to the point where it is now more than 25% of the total.

The reader should also note the areas of the world where hashish is produced—a derivative of the same cannabis plant which produces mari-

FIGURE 10

Marijuana and hashish production and distribution routes

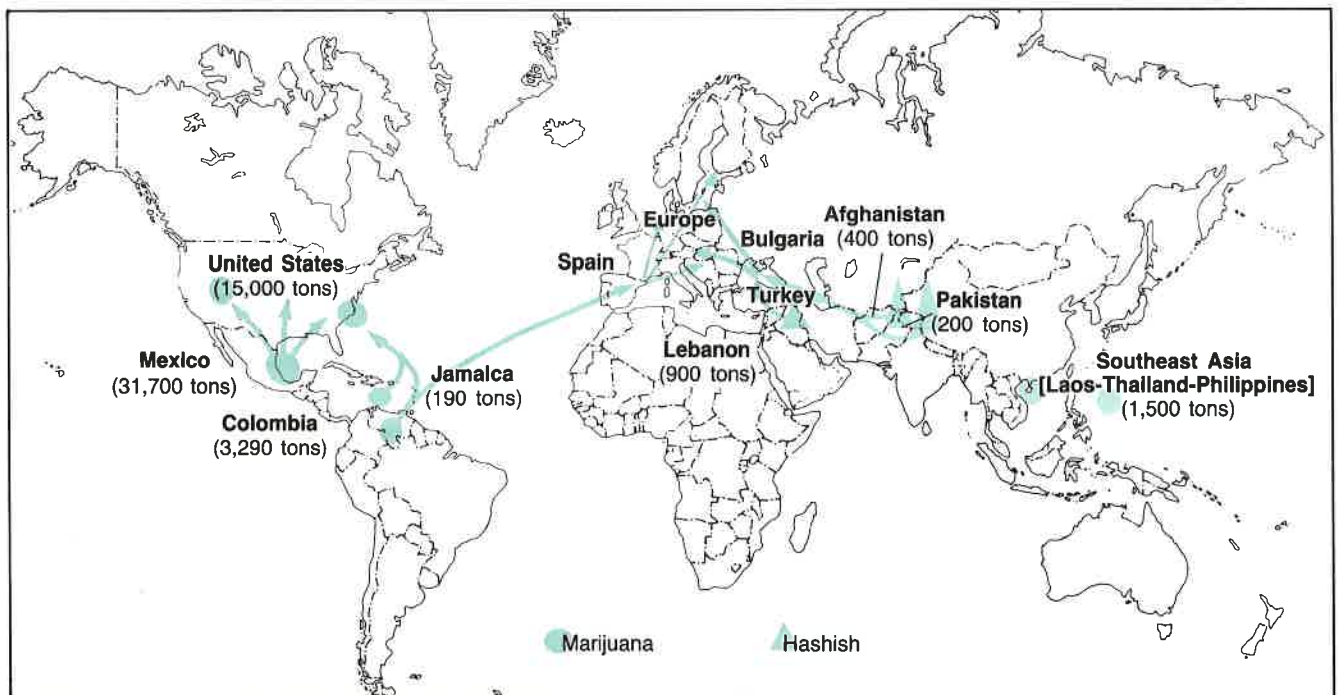


FIGURE 11

U.S. share of world marijuana production is over 25%

(percent of total)

Southeast Asia (2.3%) United States (14.4%)

Ibero-America (83.3%)

1987

Southeast Asia (2.8%) United States (18.7%)

Ibero-America (78.5%)

1988

Southeast Asia (2.7%) United States (27.1%)

Ibero-America (70.1%)

1989

juana. The majority of hashish production occurs in Afghanistan, Pakistan, and Lebanon (in particular, in the Syrian-controlled Bekaa Valley).

Also note the major distribution routes for marijuana and hashish. Because marijuana is bulkier than cocaine and has a lower dollar value per ton, most producing areas supply nearby consumers. Thus, most Ibero-American production is shipped to the United States, with only a small share going to Europe.

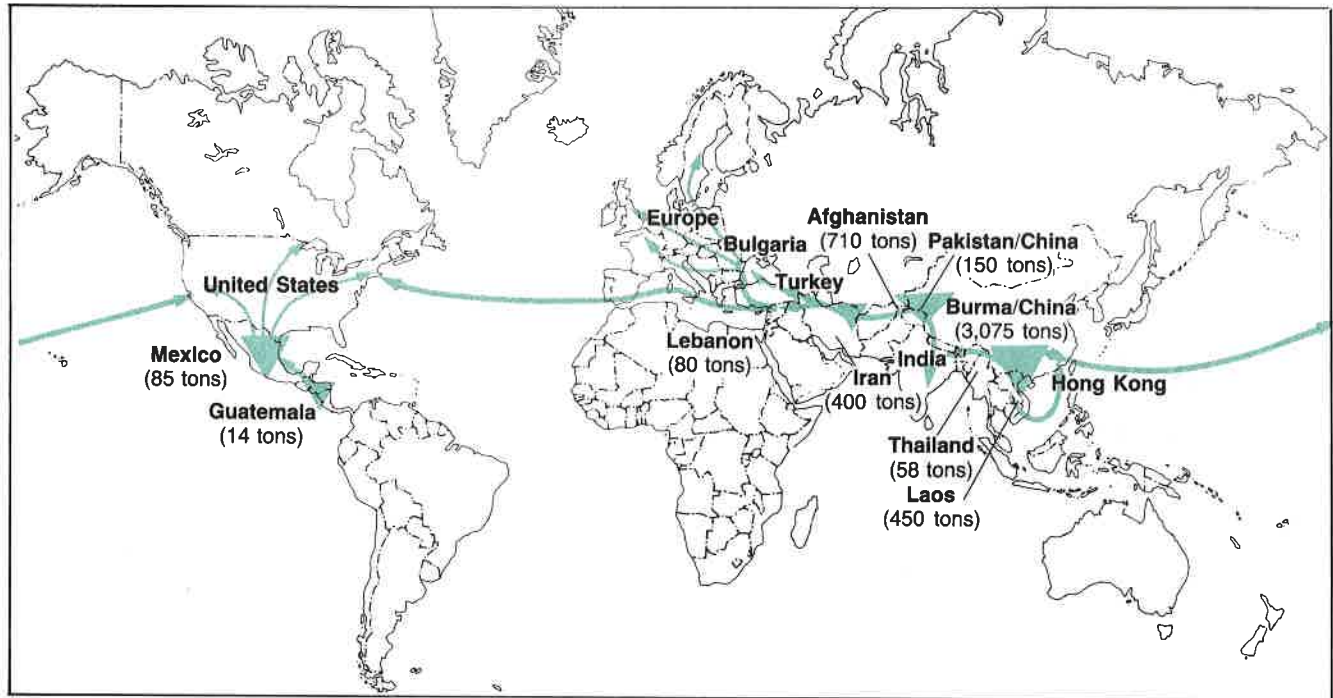
Europe's hashish is supplied by Middle Eastern and Southwest Asian producers, such as Afghanistan, Pakistan, and Lebanon, using Turkey and communist Bulgaria as major transshipment points.

Southeast Asian marijuana is mainly consumed in that area itself.

Opium and heroin

Opium is a drug which either can be consumed directly, by smoking it, or can be refined into heroin, which is usually injected into the veins of the addict. The vast majority of world opium is grown in two areas of Asia: the first spanning southwest China, Afghanistan, Pakistan, and Iran (and Lebanon), and the second from China to the Southeast Asian nations of Burma, Thailand, and Laos—the infamous “Golden Triangle” (Figure 12). Although DEA statistics show Burma as producing the lion's share here, the fact is that much of this is grown in Communist China, or in areas of Burma and Laos under Communist Chinese control.

FIGURE 12

Opium and heroin production and distribution

The other significant world producer of heroin is Mexico, with Guatemala just beginning to take up an important role.

We can see in Table 2 that the amount of opium grown in Mexico in 1989 (85 tons) is only a small fraction of the total world output of nearly 5,000 tons. The largest amount (over 3,000 tons, or 60% of the total) comes from the nation listed as "Burma"—i.e., from China. But the Mexican production is actually of greater significance than the tonnage seems to indicate, because 100% of it is converted into heroin, and thus its street sales value was a whopping \$18.7 billion in 1989.

Best estimates are that only about 10% of Asian opium is converted into heroin for export to the West, and the remaining 90% is consumed in the area, both in the form of opium and as low-grade "brown" heroin, whose retail prices are only a fraction of Western heroin. Thus, in 1989 Mexico accounted for 17% of the total world value of opium and heroin

TABLE 2

China produces most of the world's opium and heroin

(tons and billions \$)

	1977	1982	1987	1988	1989
Mexico					
Quantity	31	17	55	55	85
Value	\$5.0	\$3.7	\$12.1	\$12.1	\$18.7
Southeast Asia					
Quantity	—	—	1,575	1,833	3,593
Value	—	—	\$41.6	\$48.6	\$56.7
Southwest Asia					
Quantity	—	—	1,420	1,450	1,310
Value	—	—	\$37.6	\$38.4	\$34.7
Total					
Quantity	—	—	3,050	3,338	4,988
Value	\$55.6	\$66.7	\$91.3	\$99.1	\$110.1

production, Southwest Asia was 32%, and Southeast Asia was about 51%. If heroin alone is considered, some sources report that as much as three-quarters of all the high-quality heroin consumed in the West comes from areas controlled by the Communist Chinese, a fact deliberately covered up by the U.S. government since the early 1970s, when Henry Kissinger insisted on that coverup as part of his famous "secret diplomacy" deals with that country.

Method of calculations

In calculating quantities and values of drugs, we have principally used the figures published by the U.S. Drug Enforcement Administration (DEA), because they are the most consistent and extensive time series available.

Most of the quantity figures provided by the DEA are given as a range between two estimated values, for tons of coca leaf, marijuana, and opium production. We have taken the higher figure, because it seems far more likely that some portion of total production escapes detection, than that the production areas are overestimated. In some cases, we have employed the official area or production estimates of the countries in question, when these seemed more accurate.

Earlier applications of this approach have been borne out. For example, the July 8, 1988 issue of *EIR* carried a report on the Ibero-American drug trade, using figures for Peruvian cocaine which were substantially higher than the DEA's estimates, but were based on in-country reports. More recent DEA publications have revised their earlier estimates up into the range originally presented in *EIR*.

To calculate the total value of drug production, the average prices of the different drugs, as given by the DEA, were used, and were applied against 90% of the total quantity produced, allowing a 10% loss of physical output through seizures, spoilage, and other losses (eradication is already taken into account in the DEA's production figures). DEA officials stressed that their figures are, at best, "guesstimates."

In 1986, the House Select Committee on Narcotics Abuse and Control published figures on U.S. marijuana imports (30,000 tons) which were more than double the standard DEA estimates. The DEA's new 1989 figures for Mexican marijuana production are based on a new methodology of aerial detection of fields, which puts their estimates even higher than those of the House Select Committee. We have employed the House figures for 1986, and then used two-thirds of the new, controversial DEA number for 1989.

Since the DEA does not publish figures for U.S. marijuana production, we have employed the rather detailed (and credible) figures published by the pro-drug National Organization for the Reform of Marijuana Laws (NORML).

The opium/heroin calculations are based on DEA figures, assuming that 100% of Mexican opium is converted into heroin, but only 10% of Southwest and Southeast Asian opium. Retail price estimates came from DEA and U.S. State Department publications. Global calculations of the retail value of the world drug trade were based on the above criteria for 1987-89, and estimates for the 1977-87 period were derived from the July 8, 1988 *EIR* study and from *Dope, Inc.* (1986).

The other shocking fact that can be seen in this chart is the gigantic jump in opium production from 1988 to 1989, mainly as a result of a bumper crop in "Burma." It is also noteworthy that Mexico's production of opium rose from 55 to 85 tons that year—a more than 50% increase in one year.

Although most bulk opium is consumed in the general area in which it is produced, refined heroin is exactly the opposite, since it has an extremely high unit price and is more easily shipped. Thus, the United States gets some of its heroin from Mexico and Guatemala, but most is Asian or Mideast heroin shipped to both the western and eastern coasts of the United States.

The route of Southeast Asian, or Golden Triangle, heroin is particularly interesting. The British Crown Colony of Hong Kong is the major entrepôt, and it reaches there both by overland routes through Communist China, and also via Thailand and Malaysia—a perfect symbiosis between the Communist Chinese and their Western oligarchic counterparts!

As with hashish, Southwest Asian heroin is shipped to Europe and the U.S. via Iran, Turkey, and Bulgaria.

Consumption

There are almost no reliable statistics on either the number of drug users around the world, or the quantity they consume. At best, the evidence is fragmentary.

U.S. government agencies have attempted to present some semblance of consumption statistics through a system known as DAWN (Drug Abuse Warning Network), which makes use of *reported* cases of hospitalization due to different kinds of drug abuse. But this approach is notoriously inaccurate since 1) it deals only with consumption levels requiring hospitalization, and 2) it depends on cases being reported. Informed DEA sources have confided to EIR that the latest DAWN statistics are particularly unreliable: The drop in the figures reflect, more than anything, the decline in DAWN's *budget*, and therefore, of its ability to detect even a fraction of the consumption. The same methodological errors and outright biases plague the recent, much-ballyhooed consumption surveys, which purportedly show a dropoff in U.S. consumption of certain drugs.

The United States unquestionably has the single largest addict population, with somewhere in the range of 70 million Americans having used drugs at some point in their lives. Many, if not most of these, are now addicts.

Europe is another very large market for all types of drugs, with an unknown number of consumers.

Ibero-America used to be relatively free of widespread drug use, and many politicians and others convinced themselves that their countries could keep on producing drugs, without worrying much about the consumption problem. Not any more. Over the last five years, the period of the sharpest austerity measures imposed by the International Monetary Fund, drug consumption has skyrocketed all across Ibero-America—by and large, consumption of the same drugs that are grown in each area. Thus, Brazil reports a serious jump in domestic marijuana production—and consumption. Peruvian sources say that there is now widespread use of basic paste of cocaine, soaked into cigarettes. "Bazuko," another form semi-refined cocaine, is endemic in Colombia. And so forth and so on.

Perhaps less known are the shocking figures for Asia. U.S. government publications admit that there are 5 million opium addicts in India, 2 million heroin addicts in Iran and 1.2 million in Pakistan, and 1 million opium users in Egypt. No figures are available for China, but researchers believe that opium and heroin use is extremely widespread, perhaps reaching into the tens of millions.

Appendix.

Lyndon LaRouche's plan for the war on drugs



Lyndon H. LaRouche, Jr.

On March 13, 1985, Lyndon LaRouche sent a message which was read to a Mexico City conference on the illegal drug traffic. The following part of his speech was entitled, "My War-plan."

1. What we are fighting, is not only the effects of the use of these drugs on their victims. The international drug traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is a government which is making war against civilized nations, a government upon which we must declare war, a war which we must fight with the weapons of war, and a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945.

2. Law-enforcement methods must support the military side of the War on Drugs. The mandate given to law-enforcement forces deployed in support of this war, must be the principle that collaboration with the drug traffic or with the financier or political forces of the international drug traffickers, is treason in time of war.

a) Any person caught in trafficking of drugs, is to be classed as either a traitor in time of war, or as the foreign spy of an enemy power.

b) Any person purchasing unlawful substances, or advocating the legalization of traffic in such substances, or advocating leniency in anti-drug military or law-enforcement policy toward the production or trafficking in drugs, is guilty of the crime of giving aid and comfort to the enemy in time of war.

3. A treaty of alliance for conduct of war, should be established between the United States and the governments of Ibero-American states which join the War on Drugs alliance to which the President of Mexico has subscribed. Other states should be encouraged to join that military alliance.

4. Under the auspices of this treaty, provisions for actions of a joint military command should be elaborated. These provisions should define principles of common action, to the effect that necessary forms of joint military and law-enforcement action do not subvert the national sovereignty of any of the allied nations on whose territory military operations are conducted. These provisions should include the following:

a) The establishment of bilateral military task-forces, pairwise, among the allied nations;

b) The establishment of a Common Command, assigned to provide specified classes of assistance, as such may be requested by designated agencies of either of any of the member states, or of the bilateral command of any two states;

c) Under the Common Command, there should be established a central anti-drug intelligence agency, operating in the mode of the intelligence and planning function of a military general staff, and providing the functions of a combat war-room;

d) Rules governing the activities of foreign nationals assigned to provide technical advice and services on the sovereign territory of members of the alliance.

5. In general, insofar as each member nation has the means to do so, military and related actions of warfare against targets of the War on Drugs, should be conducted by assigned forces of the nation on whose territory the action occurs. It were preferred, where practicable, to provide the member nation essential supplementary equipment and support personnel, rather than have foreign technical-assistance personnel engaged in combat-functions. Insofar as possible:

a) Combat military-type functions of foreign personnel supplied should be restricted to operation of detection systems, and to operation of certain types of aircraft and anti-aircraft systems provided to supplement the capabilities of national forces; and

b) Reasonable extension of intelligence technical advice and services supplied as allied personnel to appropriate elements of field operations.

6. Technologies appropriate to detection and confirmation of growing, processing, and transport of drugs, including satellite-based and aircraft-based systems of detection, should be supplied with assistance of the United States. As soon as the growing of a relevant crop is confirmed for any area, military airborne assault should be deployed immediately for the destruction of that crop, and military ground-forces with close air-support deployed to inspect the same area and to conduct such supplementary operations as may be required. The object is to eliminate every field of marijuana, opium, and cocaine, in the Americas, excepting those fields properly licensed by governments.

7. With aid of the same technologies, processing-centers must be detected and confirmed, and each destroyed promptly in the same manner as fields growing relevant crops.

8. Borders among the allied nations, and borders with other nations, must be virtually hermetically sealed against drug traffic across borders. All unlogged aircraft flying across borders or across the Caribbean waters, which fail to land according to instructions, are to be shot down by military action. A thorough search of all sea, truck, rail, and other transport, including inbound container traffic, is to be effected at all borders and other points of customs-inspection. Massive concentration with aid of military forces must be made in border-crossing areas, and along relevant arteries of internal highway and water-borne transport.

9. A system of total regulation of financial institutions, to the effect of detecting deposits, outbound transfers, and inbound transfer of funds, which might be reasonably suspected of being funds secured from drug trafficking, must be established and maintained.

10. All real-estate, business enterprises, financial institutions, and personal funds, shown to be employed in the growing, processing, transport, or sale of unlawful drugs, should be taken into military custody immediately, and confiscated in the manner of military actions in time

of war. All business and ownership records of entities used by the drug traffickers, and all persons associated with operations and ownership of such entities, should be classed either as suspects or material witnesses.

11. The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug trafficking interest, by confiscating the wealth accumulated through complicity with the drug traffickers' operations, and by detaining, as "prisoners of war" or as traitors or spies, all persons aiding the drug trafficking interest.

12. Special attention should be concentrated on those banks, insurance enterprises, and other business institutions which are in fact elements of an international financial cartel coordinating the flow of hundreds of billions annually of revenues from the international drug traffic. Such entities should be classed as outlaws according to the "crimes against humanity" doctrine elaborated at the postwar Nuremberg Tribunal, and all business relations with such entities should be prohibited according to the terms of prohibition against trading with the enemy in time of war.

13. The conduct of the War on Drugs within the Americas has two general phases. The first object is to eradicate all unlicensed growing of marijuana, opium, and cocaine within the Americas, and to destroy at the same time all principal conduits within the Hemisphere for import and distribution of drugs from major drug-producing regions of other parts of the world. These other areas are, in present order of rank:

a) The Southeast Asia Golden Triangle; still the major and growing source of opium and its derivatives;

b) The Golden Crescent, which is a much-smaller producer than the Golden Triangle, but which has growing importance as a channel for conduiting Golden Triangle opium into the Mediterranean drug-conduits;

c) The recently rapid revival of opium production in India and Sri Lanka, a revival of the old British East India Company opium production;

d) The increase of production of drugs in parts of Africa.

Once all significant production of drugs in the Americas is exterminated, the War on Drugs enters a second phase, in which the war concentrates on combatting the conduiting of drugs from sources outside the Hemisphere.

14. One of the worst problems we continue to face in combatting drug trafficking, especially since political developments of the 1977-81 period, is the increasing corruption of governmental agencies and personnel, as well as influential political factions, by politically powerful financial interests associated with either the drug trafficking as such, or powerful financial and business interests associated with conduiting the revenues of the drug trafficking. For this and related reasons, ordinary law-enforcement methods of combatting the drug traffic fail. In addition to corruption of governmental agencies, the drug traffickers are protected by the growth of powerful groups which advocate either legalization of the drug traffic, or which campaign more or less efficiently to prevent effective forms of enforcement of laws against the usage and trafficking in drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conduiting of revenues from the drug traffic, and that they are therefore to be treated in the manner Nazi-sympathizer operations were treated in the United States during World War II.

15. The War on Drugs should include agreed provisions for allotment of confiscated billions of dollars of assets of the drug trafficking interests

to beneficial purposes of economic development, in basic economic infrastructure, agriculture, and goods-producing industry. These measures should apply the right of sovereign states to taking title of the foreign as well as domestic holdings of their nationals, respecting the lawful obligations of those nationals to the state. The fact that ill-gotten gains are transferred to accounts in foreign banks, or real-estate holdings in foreign nations, does not place those holdings beyond reach of recovery by the state of that national.

Index

- Abbell, Michael, 4, 72, 73
 Abess, Leonard, 89
 ACLU, *see* American Civil Liberties Union
 Acosta, Victor, 71
 Adam Smith Institute, 92
 ADL, *see* Anti-Defamation League of B'nai B'rith
 ADM/Toepfer, 116
 Afghanistan, 130
 AFL-CIO, 69, 71
 Africa, 136
 Agency for International Development (AID), U.S., 69
 AIFLD, *see* American Institute for Free Labor Development
 Alaska, 108
 Aldana Rozo, Luis Enrique, 26
 Alfaro Vive, Carajo, 53
 Alliance for Progress, 69
 Alternativa Liberal, 46, 47
 American Bar Association, 96
 American Civil Liberties Union (ACLU), 94, 96
 American Express, 89
 American Institute for Free Labor Development (AIFLD), 69-72
 American University, 94, 96, 98
 Americas Battalion, 53
 Amnesty International, 64
 Andean Studies Center, 15
 André/Garnac, 116
 Andropov, Yuri, 124
 ANIF, *see* National Association of Financial Institutes
 Anti-Defamation League of B'nai B'rith (ADL), 88-90
 Anti-Drug Coalitions, 45
 APRA, 72
 April 19 Movement, *see* M-19
 Ardito Barletta, Nicolás, 82, 83, 85
 Arenas, Jacobo, 54, 55, 57, 58
 Argentina, 97, 123
 Arias Cabrales, Gen. Jesús Armando, 15, 24, 59
 Arias Calderón, Jaime, 74
 Arias Calderón, Ricardo, 74
 Arkansas, 107, 111
 Asencio, Diego, 41
 Aspen Institute, 36
 Atlas Business Advisory Board, 92
 Atlas Economic Research Foundation, 92
 Atlas Foundation, 92
 Avianca, 26
Baltimore Sun, 73
 Banco Continental, 75
 Banco de Colombia, 28
 Banco de Crédito, 5
 Banco de los Trabajadores, *see* Colombian Workers' Bank
 Bank of Boston, 102, 107
 Bank of Credit and Commerce International (BCCI), 102
 Baquero Borda, Hernando, 26
 Barco Vargas, Virgilio, 11-12, 25-31, 34, 39, 40, 43-44, 48, 50, 56-59, 63-67
 Barnett, Randy, 93
 Bateman Cayón, Jaime, 18, 59, 60, 67
 Bedoya, William, 47
 Bedoya Pizarro, Harold, 56
 Bell, Jim, 71
 Beltrán, Antonio, 70, 74
 Bennett, William, 1, 80
 Bentham, Jeremy, 91
 Bernasconi, Paolo, 100
 Betancur Cuartas, Belisario, 18-25, 28, 36-39, 48, 61-63
 Bialkin, Kenneth, 89
 Biden, Joseph, 2
 Bolivia, 10, 79, 121
 Borg-Warner Corp., 92
 Botero Montoya, Rodrigo, 9, 35, 36
 Botero Moreno, Hernán, 22
 Botero Restrepo, Oscar, 15, 31, 38, 71, 83
 Bourne, Dr. Peter, 78
 Brandt Commission, 36
 Brazil, 24, 85, 97, 118, 125, 126, 129
 Bretton Woods, 81
 British East India Company, 91, 124, 136
 Bronfman, Edgar, 90
 Bronfman, Sam, 90
 Bronfman Gang, 90
 Buckley, William F., 88, 91, 96
 Buitrago Hurtado, Samuel, 28
 Bulgaria, 130
 Bundy, McGeorge, 79, 83
 Bunge Corp., 116
 Bureau of International Narcotics Matters, U.S., 42
 Burma, 130
 Bush, George, 1, 3, 4, 32, 74, 80, 86, 87, 95, 106, 115, 118
 Caballero, Antonio, 28
 Cadavid, Marcos, 22
 Cali Cartel, 4, 10, 38, 40, 53, 72, 73, 103
 California, 107, 109, 111, 114
 Camarena, Enrique, 23, 73
 Canada, 100
 Cano Isaza, Guillermo, 27-29, 40
 Caquetá, 19, 23, 54, 55, 56, 57, 64
 Cargill, 116
 Carrillo Rojas, Jorge, 23
 Carter, Jimmy, 35, 42, 78, 79, 83, 96, 97
 Castillo, Fabio, 47, 48, 65
 Castro, Fidel, 10, 45, 61, 69, 89
 Cathedral of St. John the Divine, 88
 Catholic Bishops' Conference, 53
 Catholic Church, 48, 54, 67
 Cato Institute, 84, 96
 Center for the Study of Democratic Institutions, 96
 Central America, 82, 83

- Central Intelligence Agency (CIA), U.S., 51, 69, 74, 76, 77, 97
 Chicago Council on Foreign Relations, 96
Chicago Tribune, 115, 126
 China, People's Republic of, 76-77, 124-125, 130, 133
 CIA, *see* Central Intelligence Agency
 Citibank, 101
 Citizens United for the Rehabilitation of Errants (CURE), 94
 City National Bank of Miami, 38, 89
 Civil Aeronautics Agency, 20
 Civitas, Roberto, 85
 Club of Rome, 36
 CNG, *see* Simón Bolívar National Guerrilla Coordinating Group, 53
 Colombian Coffee Company, 38
 Colombian Communist Party, 10, 12, 14, 41, 53-55, 57-59, 74
 Colombian Conservative Party, 19, 30, 45
 Colombian National Association of Manufacturers, 97
 Colombian Workers' Bank, 38, 70, 74
El Colombiano, 29
 Colón Free Zone, 75
 Commission on Organized Crime, U.S., 102
 Confederation of Colombian Workers (CTC), 71
 Confederation of Peruvian Workers (CTP), 71, 72
 Continental Corp., 116
 Contras, 4, 73-74, 82
 Cornfeld, Bernie, 101
 Corporación Ford, 75
 Correa Maya, Félix, 37
 Cortés Cadena, Arturo, 18
 Costa Rica, 74
 Coudert Brothers, 83
 Cowan, Richard, 96
 Craig, Gordon, 77
 Craig, Gregory B., 76-77
 Crédit Suisse White Weld Ltd., 101
 Crédit Suisse, 101, 102
 Criminal Justice Policy Foundation, 94, 97
 Cruzado Zavala, Julio, 71, 72
 Cruz, Rogelio, 74
 CTC, *see* Confederation of Colombian Workers
 CTP, *see* Confederation of Peruvian Workers
 Cuba, 23, 53, 55, 56, 59, 60, 61, 64, 73, 89
 Cuevas Romero, Tulio, 70, 71
 Czechoslovakia, 26
- DEA, *see* Drug Enforcement Administration
 Delvalle, Eric, 77
 Deng Xiaoping, 76
 Dennis, Richard J., 96
 Dennis, Walter D., 88
 Department of Administration Security (DAS), Colombia, 73
 Dogoloff, Lee, 41
 Doherty, Jr., William, 70, 71
 Donahue, Phil, 91
 DPF, *see* Drug Policy Foundation
 Drinan, Robert F., 97
 Drug Abuse Warning Network (DAWN), 133
 Drug Dependence Improvement Group, 94
 Drug Enforcement Administration (DEA), U.S., 2, 19, 23, 26, 27, 37, 55, 63, 70, 74, 76, 80, 82, 87, 89, 112-113, 114, 118, 125, 127, 128, 129, 130, 133
 Drug Policy Foundation (DPF), 80, 94-96
 Duarte, José Napoleón, 72
 Dukakis, Michael, 96
 Duncan, Ralph, 42
 Duque Peña, Alberto, 38, 89
- Eagleburger, Lawrence, 76
 Echavarría Barrientos, Raúl, 26
 Echeverría Alvares, Luis, 35
The Economist, 4, 101
 Ecopetrol, 65
 Ecuador, 125
 Egypt, 133
EIR, 2, 29, 69, 75, 82, 84, 85, 102, 112-113, 118, 125, 127, 132, 133
 Eisenmann, Roberto, 75
 Eleta Almarán, Carlos, 75, 76, 77
 ELN, *see* National Liberation Army
 Endara, Guillermo, 74, 75
 England, 93
 Ennis, Ed, 76
 EPL, *see* Popular Liberation Army
 Erickson, Frank, 90
 Escobar Gaviria, Pablo, 4, 10, 12, 19, 20, 21, 27, 30, 46, 47, 48, 61, 63, 66, 67, 70
 Escobar Navia, Rodrigo, 28
 Escobar Sierra, Hugo, 15
El Espectador, 9, 11, 12, 14, 25, 27-29, 30, 36, 37, 40, 48, 54, 55, 56, 58, 66, 125
 European Community, 126
 European Parliament, 94
 The Extraditables, 4, 9, 11, 12, 13, 14, 16, 22, 30, 31, 35, 48
- Falco, Mathea, 42, 78
 FARC, *see* Revolutionary Armed Forces of Colombia
 Farmers Home Administration (FmHA), U.S., 115
 FBI, *see* Federal Bureau of Investigation
 Federal Bureau of Investigation (FBI), U.S., 74, 89
- Federal Reserve, U.S., 115
 Federation of Latin American Banks (Felaban), 36
 Fedesarrollo, 36
 Fernández, Antonio, 75
Financial Times, 15
 First Interamericas Bank, S.A., 74, 103
 Fisher, Antony, 92
 Florida, 23, 75, 77, 97, 109, 114
 Florida Bar Foundation, 96
 Ford Lara, Jaime, 75
 Ford, Guillermo, 75
 Forero Fetecua, Rafael, 70
 Friedman, Milton, 28, 36, 80, 86, 90-92
- Gaitán Mahecha, Bernardo, 20
 Galán Sarmiento, Luis Carlos, 7, 11, 19, 31, 40, 41, 43, 44, 45, 49, 57, 58, 59, 66
 Galiber, Joe, 95
 Galindo, Mario, 74
 García Márquez, Gabriel, 45
 García, Alan, 87
 Gaviria Trujillo, César, 7-9, 13, 15, 16, 32, 35, 47, 48, 68
 General Agreement on Tariffs and Trade (GATT), 115
 Georgia, 76, 107, 111
 Germany, 58, 60, 61, 124
 Glasser, Ira, 80, 96
 Golden Triangle, 133, 136
 Gómez Hurtado, Alvaro, 7, 30, 45, 49-50, 64
 Gómez Martínez, Juan, 66
 Gómez Méndez, Alfonso, 15, 24, 31
 Gómez Padilla, Miguel Antonio, 14
 Grace, J. Peter, 92
 Graef/Rainbow Group, 94
 Great Britain, 100
 Green Party, 94
 Grinspoon, Lester, 92, 97
 Grupo Grancolombiano, 28, 36
 Guatemala, 131
Guerra a las Drogas, 17, 18
 Guerra Serna, Bernardo, 48
 Guerrero Paz, Manuel Jaime, 58
 Gugliotta, Guy, 35
 Guillot Lara, Jaime, 59
 Gutiérrez Márquez, Alfredo, 30
 Gutiérrez Márquez, Libardo, 30
- Hakim, Peter, 95
 Hammer, Armand, 65
 Hapsburg, Otto von, 91
 Harinas Panamá, S.A., 75
 Harvard Medical School, 97
 Harvard University, 77
 Hawaii, 107, 108, 111, 113, 114
 Hayek, Friedrich von, 91
 Hefner, Hefner, 88
 Hernán Botero Commando, 26
 Hernández Salazar, Jaime, 47, 65
High Times, 41, 79, 88, 92, 95, 97
 Hitler, Adolf, 60, 61
 Hommes, Rudolf, 9, 14
 Hong Kong, 90, 92, 133
- Dadeland National Bank, 75
 Dalitz, Moe, 90
 DAS, *see* Department of Administrative Security
 DAWN, *see* Drug Abuse Warning Network
 De Greiff, Mónica, 44

- House Select Committee on Narcotics Abuse and Control, U.S., 132
Hoyos Jiménez, Carlos Mauro, 29-30
Huallaga River Valley, 87
Hughes, William, 97
Hull, John, 74
Hungary, 25
Hurtado, Héctor, 57
Hurtado, Manuel Felipe, 71
Hutchins, Robert, 96
- ICAR, *see* International Cannabis Alliance for Reform, 37
ILD, *see* Institute for Liberty and Democracy
Illinois, 93
Illinois Marijuana Initiative, 115
IMF, *see* International Monetary Fund
Imperial College of Science and Technology, 94
India, 133, 136
Ingersoll, Robert, 92
Institute for Liberty and Democracy (ILD), 92
Institute of Liberal Studies, 43
Institute on Drugs, Crime and Justice, 96
Instituto Americano, *see* American Institute for Free Labor Development
Inter-American Development Bank (IADB), 3, 42
Inter-American Dialogue, 36, 83-86, 87, 92, 95
Inter-American Regional Workers' Organization (ORIT), 71
Interamerican Foundation, 70
International Airport Hotel Corp., 90
International Anti-Prohibitionist League, 80
International Cannabis Alliance for Reform (ICAR), 37, 42
International Monetary Fund (IMF), 3, 36, 82, 83, 105, 133
Investors' Overseas Services (IOS), 89, 101
Iran, 130, 133
Italian Radical Party, 94
Italy, 90, 100
- Jamaica, 57, 129
Japan, 81, 125
Jaramillo Ossa, Bernardo, 59
Jensen, Lowell, 25
Jiménez Gómez, Carlos, 25, 47-48, 65
Johnson, Lyndon, 83
Justice Palace, Colombia, 15, 22-24, 51, 59, 60, 62, 63, 67
- Kansas, 114
Karina, 59-60
Katzenberg, Jacob, 90
Kennedy, Edward, 42
Kennedy, John F., 3, 101
Kentucky, 107, 111, 113, 114
Kissinger Associates, Inc., 76-77, 86
Kissinger, Henry, 4, 49, 76-77, 80, 81, 132
Koppel, Diego Pardo, 70
- Kurth, Dick, 104, 106
Kurth, Judith, 104, 106
- Langberg Meléndez, Carlos, 72
Lansky, Meyer, 38, 89, 90, 101
Laos, 130
Lara, Patricia, 31
Lara Bonilla, Rodrigo, 15, 18, 19-22, 24-27, 31, 39, 43, 46, 47, 48, 59, 61
LaRouche, Jr., Lyndon, 5, 90, 103, 134
Latin America Weekly Report, 35
Lawn, John, 80
Le Monde, 23
Leary, Timothy, 97
Lebanon, 130
Leen, Jeff, 35
Lehder Rivas, Carlos, 21, 22, 37, 43, 47, 53, 60-62, 74, 89, 101
Lemos Simmonds, Carlos, 13, 15
Liberal Party, 8, 18, 19, 21, 25, 31, 39, 40, 41, 43, 44, 45, 46, 47, 63
Libertarian Party, 84
Libya, 73
Linowitz, Sol, 83, 88
Lloreda Caicedo, Rodrigo, 45
Londoño Hoyos, Fernando, 36
Londoño White, Santiago, 13, 37, 48
Londoño, Patricia, 18
López Gómez, Edmundo, 40
López Michelsen, Alfonso, 8, 9, 12-19, 27-28, 31, 32, 34, 35-41, 43, 45, 46, 47, 49, 50, 66
López Tejada, Carlos Lucas, 74
Louis Dreyfus Corp., 116
Lowenstein, Allard K., 77
Lowenthal, Abraham, 86
Luna Rojas, Carlos Arturo, 26
- M-19, 7, 14, 15, 18, 23-25, 30, 32, 45, 49-51, 53, 56, 59-64, 66-68
Maine, 108
Malaysia, 133
Manhattan Institute for Policy, 92
Mannesman, 47, 65
Marine Midland Bank, 83
Marino Ospina, Iván, 62
Márquez, José Vicente, 18
Massachusetts, 96, 103, 108
Matta Ballesteros, Juan Ramón, 23, 48, 73
Maza Márquez, Miguel, 14
McGrath, Archbishop Marcos, 85
McLaughlin, Earle, 92
McNamara, Robert S., 79, 83
Meadows, Richard J., 4
Medellín, 37, 40, 45, 48
Medellín Cartel, 4, 10, 14, 19, 21, 30, 37, 39, 43, 46-48, 53, 55, 57, 61, 63, 65, 66, 71, 73, 74, 75, 89, 101
Mercado Martínez, José Raquel, 60
Merrill Lynch and Co., 102
Mexico, 23, 73, 74, 100, 104, 129, 131, 133, 134
Miami Herald, 41, 75, 127
Michaels, Robert J., 93
Michelsen Uribe, Jaime, 28, 36, 37, 41
Midland Bank PLC, 77
- Milián Rodríguez, Ramón, 75
Mill, John Stuart, 91
Mises, Ludwig von, 91
Missouri, 107, 111
MK-Ultra, 97
MLN, *see* National Latin Movement
Mont Pelerin Society, 81, 91, 92
Montaña Cuellar, Diego, 13, 35
Montana, 104, 106
Montoya, Alvaro Diego, 13
Montoya, Germán, 13
Morales Ballesteros, Norberto, 44
Morocco, 127
MRTA, *see* Tupac Amaru Revolutionary Movement
Murder, Inc., 90
Murphy, Patrick, 97
- NACDL, *see* National Association of Criminal Defense Lawyers
NADC, *see* National Anti-Drug Coalition
Nadelmann, Ethan, 79, 80, 95, 96
Name Terán, José, 44
National Academy of Sciences, 96
National Anti-Drug Coalition (NADC), 17-18, 88
National Association of Criminal Defense Lawyers (NACDL), 96
National Association of Financial Institutes (ANIF), 37, 41-43
National Center for Policy Analysis, 92
National Defense Research Institute, 98
National Drug Council, 21
National Latin Movement (MLN), 61
National Law Journal, 96
National Liberation Army (ELN), 47, 53, 64, 65, 66
National Narcotics Council, 20
National Organization for the Reform of Marijuana Laws (NORML), 37, 41, 42, 78, 88, 91, 92, 94, 95, 96, 97, 107, 112-113, 132
National Prison Project, 95
National Review, 91, 96
National Security Council, U.S., 74
National Student Association, 77
Navarro Wolf, Antonio, 7, 8, 14, 32, 45, 67-68
New American Library, 88
New Hampshire, 108
New Liberalism, 8, 19, 22, 31
New Perspectives, 96
New York Times, 11
New York, 78
Newsweek, 90
Nicaraguan Democratic Force, 74
Nicaragua, 4, 55, 56, 60, 61, 73
Nigeria, 123, 127
Nixon, Richard, 80, 81, 96, 101
Noriega, Gen. Manuel Antonio, 82, 103, 128
Norman's Cay, 61
North, Lt. Col. Oliver (ret.), 74, 76
North Carolina, 112
Norwest Bank, 104, 106
The Notables, 12, 34

- OAS, *see* Organization of American States
 Occidental Petroleum Company, 65
El Occidente, 26
 Ochoa, Fabio, 66
 Ochoa clan, 10, 19, 61, 70, 72
 Ochoa Vásquez, Jorge Luis, 30, 47, 57, 71, 74
 Office of Drug Abuse Policy, 78, 97
 Oregon, 107, 108, 111
 Organization of American States (OAS), 24, 83
Orientación Liberal, 39
 ORIT, *see* Inter-American Regional Workers' Organization
 Ortega Ramírez, Jairo, 46, 47
 OSS, 77
 Ossa Arbeláez, Jaime, 47
 Ossa Escobar, Carlos, 56, 65
- Pacific Research Institute, 92, 96
 Packer, Bernard, 72
 Padilla Vergara, Rafael, 56
 Pakistan, 130, 133
 Palacio de Nariño, 18
 Palevsky, Max, 88
 Pan-European Union, 91
 Panama, 4, 23, 37, 39, 41, 47, 48, 65, 74, 82, 103, 128
 Pardo Buelvas, Rafael, 50
 Parejo González, Enrique, 22, 24-26, 48
 Parra, Guido, 48
 Pascualandia, 19
 Pastrana, Andrés 29
 Pastrana Borrero, Misael, 13, 29, 34
 Peláez, Oscar, 14
 Peláez Carmona, Eduardo, 16
 Peña Ríos, Rafael, 64
 People for the American Way, 96
 Percioso, Robert, 127
 Pérez, Carlos Andrés, 45
 Pérez, Luis Carlos, 57
 Perozo, Edison, 128
 Peruvian Workers' Bank, 72
 Peru, 4, 10, 79, 85, 86, 87, 92, 99, 121
Philadelphia Inquirer, 4
 Pizarro León-Gómez, Carlos, 14
 Playboy Foundation, 88
Playboy, 88
 Pomeroy, Wesley C., 97
 Popular Liberation Army (EPL), 53, 63
 Porras Ardila, Evaristo, 21, 29, 46
Pravda, 50, 64
La Prensa, 29, 75
 Princeton University, 96
 Production Credit Associations, 115
 Project Democracy, 82
Public Interest, 96
 Purple Gang, 90
- Quintín Lamé Brigade, 53, 61, 62
- Rabb, Maxwell, 90
 Ramírez Gómez, Col. Jaime, 19, 20, 21, 22, 26, 27
 Ramírez Ocampo, Augusto, 23
 Rand Corp., 98
- Ranelagh, John, 69
 Reagan, Ronald, 4, 71, 74, 79, 80, 81, 83, 84, 90, 102, 115
 Regan, Donald, 102
 Renovación Liberal, 46
 Republic National Bank, 89
 Reuter, Peter, 98
 Revollo Bravo, Cardinal Mario, 13, 35
 Revolutionary Armed Forces of Colombia (FARC), 10, 19, 53, 54-58, 63, 64, 66, 73
 Ricardo, David, 91
 Richardson, Eliot, 79, 83, 85
 Rivera, Geraldo, 88
 Rockefeller, David, 83
 Rodríguez Gacha, José Gonzalo, 4, 12, 19, 30, 66, 74
 Rodríguez Orejuela, Gilberto, 10, 38, 40, 69, 70, 71, 72, 74, 75
 Romero family, 5
 Ríos González, Gerney, 15
 Rosing, Mike, 115
 Rothstein, Arnold, 90
 Royal Bank of Canada, 92
 Ruiz Barrera, Gen. Jaime, 63
 Ruiz Hernández, Hernando, 41
- Safra, Edward, 89
 Sagan, Carl, 97
 Salazar, Roberto, 13
 El Salvador, 72
 Samper Pizano, Ernesto, 7, 8, 13, 14, 17, 28, 32, 34, 36, 37, 38, 41-46, 66, 88
 Samudio Molina, Rafael, 56, 62
 Santofimio Botero, Alberto, 18, 46-47
 Schmoke, Kurt, 86, 95, 96
 Scowcroft, Brent, 76, 86
 SeaFirst, 107
 Secord, Maj. Gen. Richard (ret.), 5
Semana, 40
 Senate Foreign Relations Committee, U.S., 73
 Sendero Luminoso, *see* Shining Path
 Serpa Uribe, Horacio, 13
 SETCO Air, 73
 Shakarchi Trading Company, 89
 Shaw, Frank, 106
 Shining Path, 86, 87
 Shultz, George, 2, 79-83, 84, 90, 94, 95, 101
El Siglo, 49
 Silbert, Theodore H., 89
 Silva Ruete, Javier, 85
 Simon, William E., 92
 Simón Bolívar National Guerrilla Coordinating Group (CNG), 53
 sinister window, 35, 36
 Slebi, Juan Slebi, 44
 Smith, Adam, 91, 124
 Smithsonian Institution, 83
 Socialist International, 36, 44, 45
 Society for the Renovation of Liberalism, 91
 Sonnett, Neal R., 96
 Soviet Union, 51, 53, 54
 Spain, 72, 123, 126
- Special Operations Executive (SOE), 89
 Sri Lanka, 136
La Stampa, 100
 Stenarv, Gunar, 45
 Stephenson, Sir William, 89
 Sterling National Bank, 89
 Sterling, Eric E., 97
 Stroup, Kenneth, 88
 Sullivan, Brendan, 76
 Supreme Court, Colombia, 7, 22-24, 26, 31, 51, 57, 62, 67
 Surinam, 127
 Switzerland, 82, 89, 100
 Szasz, Thomas, 94
- Tambs, Lewis, 20, 21, 71
 Tavistock Institute, 80
 Tennessee, 107, 111
 Texas, 26, 96, 109, 114
 Thailand, 130, 133
El Tiempo, 11, 18, 21, 27, 28, 38, 39, 55, 56, 57
 Times-Mirror Corp., 88
 Torres Donado, Federico, 47
 Tranquilandia, 19, 21, 23, 27, 38, 55
 Trebach, Arnold, 93, 94, 95, 96
 Tribaldos, César, 75
 Trilateral Commission, 15, 83
 Tupac Amaru Revolutionary Movement (MRTA), 53
 Turbay Ayala, Julio César, 13, 28, 34, 36, 60
 Turkey, 130
- U.S.-Latin American Commission, 83
 U.S. Army, 74
 U.S. Customs Service, 81, 89
 U.S. Department of Agriculture, 105, 112, 115
 U.S. Department of Defense, 97, 98
 U.S. Department of Justice, 96, 72, 103, 105
 U.S. Department of State, 3, 10, 18, 42, 44, 46, 48, 53, 59, 69, 71, 72-73, 74, 78, 80, 81
 U.S. House of Representatives, 97
 Union of Colombian Workers (UTC), 70, 71, 74
 United Nations Commission on Narcotic Drugs, 26
 Universal Christian Gnostic Church, 18
 University of Arizona, 97
 University of Chicago, 80, 82, 96
 University of London, 94
 UTC, *see* Union of Colombian Workers
- Valderrama, Mario, 71
 Vallejo Arbeláez Joaquín, 4, 48-49, 66
 Vance, Cyrus, 79, 83
 Vargas, Alfonso, 71
 Vargas, José Luis, 15
 Vargas Llosa, Mario, 92
 Venezuela, 56, 64, 65, 100, 127
 Vesco, Robert, 61, 89, 101
 Vieira, Gilberto, 57
 Vietnam, 97, 125
 Villa Coca, 19

Virginia, 107, 112, 114
Volcker, Paul, 81, 101, 115
Voz, 57, 58

W.R. Grace Co., 92
Wall Street Journal, 12, 82, 125
Wallis, W. Allen, 80
War on Drugs, 88
Washington Post, 4, 11, 59, 72, 73, 126,
129

Washington Times, 59
Washington, 107, 111
Webster, William, 51
Weil, Andrew, 97
Weinberger, Caspar, 82
Weld, William, 101, 103
West Virginia, 108
White Weld, 101
Williams and Connolly, 76
Willkie Farr and Gallagher, 89

Wilson Center, 83
World Bank, 36
World Jewish Congress, 90

Xerox Corp., 88

Yippies, 88, 91

Zeese, Kevin, 96
Zinberg, Norman, 42, 92, 93, 96, 97

EIR Special Reports

Comprehensive, book-length documentation assembled by EIR's intelligence and research staffs.

The 'Greenhouse Effect' Hoax: A World Federalist Plot. Order #89001. \$100.

Global Showdown Escalates. Revised and abridged edition of the 1985 Special Report, **Global Showdown: The Russian Imperial War Plan for 1988.** Fully documents the Soviet Union's strategic aims and military capabilities. Order #88008. \$250.

AIDS Global Showdown—Mankind's Total Victory or Total Defeat. #88005. \$250.

Electromagnetic Effect Weapons: The Technology and the Strategic Implications. Order #88003. \$150.

The Kalmanowitch Report: Soviet Moles in the Reagan-Bush Administration. Order #88001. \$150.

Project Democracy: The 'Parallel Government' Behind the Iran-Contra Affair. Order #87001. \$250.

Germany's Green Party and Terrorism. The origin and controlling influences behind this growing neo-Nazi political force. Order #86009. \$150.

Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia. Order #86001. \$250.

The Trilateral Conspiracy Against the U.S. Constitution: Fact or Fiction? Foreword by Lyndon LaRouche. Order #85019. \$100.

Economic Breakdown and the Threat of Global Pandemics. Order #85005. \$100.

* First two digits of the order number refer to year of publication.

Order from:

EIR News Service

P.O. Box 17390, Washington, D.C. 20041-0390

Please include order number. Postage and handling included in price.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
6 months \$225
3 months \$125

Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschemarks or other European currencies.

All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

I would like to subscribe to Executive Intelligence Review for

☐ 1 year ☐ 6 months ☐ 3 months

I enclose \$_____ check or money order

Please charge my ☐ MasterCard ☐ Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: EIR Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

Do you need to be plugged in to the world's best intelligence service?

EIR Confidential Alert

With revolution brewing in Eastern Europe, the physical collapse of the U.S. economy all around us, and a financial crash on a hair-trigger, you may very well need to be ahead of the news.

When you subscribe to the EIR Confidential Alert service, you get stories on what's happening on the economic and strategic fronts, before the crises break in the regular press, or down on your head.

Every day, EIR gets news dispatches from our bureaus all around the world. As an Alert subscriber, you get access to the inside story on the most important trends among policy-makers and governments. Much of this material will never be published anywhere else!

EIR Alert brings you 10-20 concise news items, twice a week, by first-class mail—or by fax (at no extra charge).

IN THE U.S. Confidential Alert annual subscription: **\$3,500**

IN EUROPE Confidential Telex Alert annual subscription: **DM 12,000.** Includes Quarterly Economic Report. Strategic Alert Newsletter (by mail) annual subscription: **DM 6,000.**

Make checks payable to:

EIR News Service
P.O. Box 17390
Washington, D.C. 20041-0390

In Europe:
EIR Nachrichtenagentur GmbH.
Postfach 2308 Dotzheimerstr. 166,
D-6200 Wiesbaden, F.R.G.