18 "student" riot against Kissinger in Brasília, have put Figueiredo under intense pressure from manipulated hard-line generals.

The Figueiredo brothers

The battle for Brazil is well under way. President Figueiredo persuaded the Army High Command to set up a new army in the Amazon. Furthermore, he raised eyebrows among Brazil analysts by appointing the member of the high command presumably most personally loyal to him, his brother General Euclides Figueiredo, to command the new army in what would appear to be a hardship post far from the center of power. Both moves suggest that Figueiredo regards the battle for the Amazon as the major strategic front in countering the intrigues of Kissinger's friends.

Figueiredo has also sought to unite the military against the Rio mob's attempt to restore legalized gambling dens. The fact that the central bank president Langoni, an ardent admirer of Milton Friedman and recent host to Paul Volcker, requires new studies to defeat military and civilian opposition to the Rio-dollar hustle shows the war is just beginning.

Figueiredo would do well to intensify vigilance against Kissinger's Brazilian associates. He could invite his brother to give him a full briefing on what went on at the dinner party Klabin threw at his Rio mansion for Kissinger's foreign clique and the most sordid characters in Brazil. Roberto Campos (professed Fabian socialist who advised Willy Brandt on how to set up his Brandt Commission), Augusto de Azevedo Antunes (front-man for Daniel Ludwig and other European oligarchic operations in Brazil), and Ermelino Matarazzo (son of an Italian oligarchical family), shared the creature comforts offered by Klabin with the president's notoriously spartan brother and a few equally incongruous guests from the anti-Kissingerian foreign ministry.

Kissinger and his Dope, Inc. pals face no threat from the next civilian governor of the state of Amazonas, Gilberto Mestrinho. Mestrinho was known as "Mr. Contraband" when he served as governor from 1958 to 1962. He represents the same Popular Party "opposition party" as Klabin and the Rio mafia.

'Kissinger go home!'

At every press encounter, suspicious reporters peppered Trilateral Commission Executive Director Kissinger with questions about their intentions toward Brazil. Each time, Kissinger would release a chuckle from his jowls and reply, "The Trilateral has next to no political influence. If I were on a speaker's platform in Texas, I would have to convince them that the Trilateral Commission is not a leftist conspiracy to undermine America's capitalist institutions."

Documentation

A biography of Daniel K. Ludwig

by Marilyn James

Daniel Keith Ludwig is considered the reigning "tanker king" and one of the world's richest men. Ludwig made Howard Hughes look like a blabbermouth; known as a very private man, he has cultivated few friends and conducts business within his inner circle when at all possible. He personally owns all his businesses, with the exception of the American-Hawaiian Steamship Company, of which he holds controlling interest; Ludwig shares the rewards and risks of his affairs with no one.

Born on June 24, 1897 in South Haven, Michigan, Ludwig rose from a blackstrap-molasses runner for A. I. Kaplan (a commodity used in the production of bootleg liquor during Canadian Prohibition). His career is studded with spectacular, eccentric, and questionable business deals.

Ludwig may have made contact with the Lansky-dominated branch of organized crime during his molasses-running days; certainly it would have been difficult to avoid contact with the criminal syndicates that laid the foundations for such "respectable" family empires as the Bronfmans and their disreputable counterparts in the Lansky-Luciano led "Eastern Syndicate."

Perhaps it's not so surprising, then, to see Ludwig in business with Lansky in the late 1950s and early 1960s, in an operation to create a free-enterprise zone in the British Caribbean, a "Hong Kong West" where hot money is easily laundered.

Ludwig in Paradise

On Aug. 3, 1955 the Hawkscreek Act that had been drafted by Sir Stafford Sands was signed into law. Sands, a member of the Bahamian colonial elite known as the "Bay Street Boys," in collaboration with convicted stock swindler, Wallace Groves, prepared the groundwork for the Lansky group's takeover of the Caribbean "entertainment" industry. Ludwig was an essential component of this operation which would eventually lead to the creation of Resorts International and Paradise Island. He provided the capital, the machines, and the labor to put the Hawkscreek Act into effect. The act provided for the creation of the Bahamas Port Authority, which was the key to the land on which the casinos and resort hotels were to be built. At a time when he was financially stretched as a result of a commitment to drastically expand his tanker fleet, Ludwig poured $5,600,000 to dredge the harbor for Wallace Groves in Freeport, Bahamas. Coming into the deal was Charles Allen of Allen & Company, the Wall Street investment house which bought 25 percent of the Port Authority. Another 25 percent was taken by Britain's Firth-Cleveland Group, a holding company with vast resources. Charles Allen was well acquainted with the host of Lansky-controlled frontmen-and-bagmen who came in on the deal.

After dredging the harbor, Ludwig went in on a deal resulting in the construction of the scandal-ridden Lucayan Beach Hotel and Casino. Shortly after its opening, an investigation into the Lucayan would bring down the Sands government and expose Lansky's tries to the respectable Allen and Ludwig, i.e., the fact that the hotel-casino's top three employees were Lansky men, hired at Lansky's suggestion on the peculiar basis that they receive 30 percent of the nightly take. Ludwig's other casino-hotel, the Kings Inn, became the Lansburgh-Kings Inn when Ludwig leased it to Morris Lansburgh, who has been identified as a highly paid gobetween for Meyer Lansky.

Although tankers may be Ludwig's first love, following his adventures in Paradise, he began to invest heavily in real estate. The most spectacular venture is the Jari Forestry project in Brazil. The $4 billion Jari project will take decades to complete and is reportedly in trouble, foundering on the Brazilian government's ambivalence about subsidizing the loss-plagued operation. Ludwig is accused of Leaving Brazilians to pick up the pieces now that Jari has defaulted on a sizeable Japanese loan.

By the mid-1970s Ludwig expanded into banking. *Business Week* reported in 1977 that he was "buying and selling California savings and loan associations the way some kids trade baseball cards." In 1980, he bought three Arizona S&L's with $1 billion in assets. Ludwig is now targeting Colorado's beleaguered savings banks.

Nine-tenths of his fleet is registered in Liberia, the crews are from the Cayman Islands, and the officers are from the United States. Everything Ludwig owns is run through his flagship company, National Bulk Carriers. His fleet, estimated to be the third largest in the world, is surrounded by secrecy. When Max Fisher and Carl Lindner took over United Brands in 1975, they pressed Bert C. Reiss into service as Vice-President in charge of transportation (see *EIR*, Dec. 8). Reiss, who learned his craft at Ludwig's National Bulk Carriers, immediately excluded all non-company cargo from United Brands' banana boats and from its extensive New Orleans port facilities. The move was seen as beneficial to United Brands' much-rumored dealings in the illicit Latin American cocaine traffic.

On the Latin America keeps growing for new

A shift in the South American drug trade has emerged during the past two years with serious implications for both the producer nations involved, and the primary consumer nation, the United States. Adding together the Colombian, Peruvian, and Bolivian cocaine equivalents gathered largely from official estimates, *EIR* investigators have come up with the startling conclusion that as much as 200 tons of pure cocaine hydrochloride are being produced in South America's Silver Triangle, a stark contrast to DEA estimates that "19-23 tons of cocaine HCl were exported from Colombia in 1980." The shift entails three interrelated factors:

1) Increased domestic cultivation of marijuana in the United States has significantly reduced Colombia's share in the U.S. consumer market, inducing Colombia's dope mafia to expand into coca cultivation and increased cocaine exports;

2) New refining capacity and trafficking routes have opened up through Brazil, to accommodate coca cultivation increases in Bolivia and Peru and as an alternate to the traditional route through Colombia; and

3) U.S. consumption of cocaine has, partially as a result of these developments, undergone a dramatic and deadly increase.

U.S. goes 'home-grown'

In the last two years, U.S. "home-grown" cultivation of marijuana has soared, rivaling Colombian marijuana at least in quality if not yet in quantity. Specialists consulted by *EIR* report that marijuana is grown in nearly every state, and in states like California and Hawaii is threatening to become the number one industry! Estimates are that domestic cultivation now supplies as much as 40 percent of the U.S. consumer market. With another 10 percent coming from Jamaican and Mexican sources, Colombia's share in the U.S. market has been reduced to 50 percent or less—a significant drop from the nearly 80 percent Colombia had captured and held for years.

As a result of this fall-off in Colombia's share—a fall-off in *relative* terms, since the *amount* of marijuana Colombia is producing for export has not been substan-