

EIR Investigation

Trilateral panel talks up legalizing the dope trade

by Gretchen Small

As Ibero-American representatives meeting in Rio de Janeiro proposed to crush the drug trade by arresting bankers who profit from it, in Washington, D.C., a select committee of those bankers and their supporters, issued a proposal for an "alternative" to winning the War on Drugs in the Western Hemisphere: Legalize dope.

The recommendation is contained in the just-released 1986 *Report of the Inter-American Dialogue*, a group of "concerned citizens" of the Western Hemisphere headed by Xerox Corporation founder, Sol Linowitz. The Dialogue report, entitled "Rebuilding Cooperation in the Americas," outlines a new phase of warfare against the Hemisphere by the international narcotics syndicate, "Dope, Inc."

The cream of America's Liberal Establishment form Linowitz's "concerned citizens" group, together with the men who implement policy for the Liberal Establishment in Ibero-America. They are the same Establishment leaders, including many from the Trilateral Commission elite policy-making group, who can be found at the head of the "nuclear freeze" movement, opposing President Reagan's Strategic Defense Initiative, because it upsets their back-channel deals with the Soviet Union. The same names are found on the list of sponsors of the Global 2000 policy promoted by the Carter administration, the plan to create a "post-industrial society" which reduces the world's projected population by 2 billion by the year 2000.

In essentials, the Inter-American Dialogue's recommendations merely update the policies outlined by the Linowitz Commission in 1976, the U.S. group headed by Linowitz which drew up the policies carried out by the Carter administration in Latin America.

President Jimmy Carter was the first U.S. President to publicly endorse the decriminalization of marijuana, to consider such action for cocaine, and to advocate the legalization

of heroin. With "Dope, Inc." running Washington, turning the Ibero-American economy into an industrialized cocaine machine—producing, shipping, and laundering the proceeds from the trade—came easier. While the dope trade grew, the International Monetary Fund moved in to run the economies of the region, and the Trilateralists and Jesuits invited the Cubans and the Soviets to join their "insurgencies" in Central America. Cycles of war and insurgency in Central America are crucial to Global 2000's population reduction program, Carter administration officials stated, because it is the young, child-bearing-age population that will die.

Ten years later, the new Linowitz commission again proposes minor variations on International Monetary Fund policies, urges that Ibero-America's military institutions be weakened, and demands that the Soviet Union have a say in Western Hemisphere affairs, using Central America as a bargaining chip in U.S.-Soviet global negotiations.

Opening the door to drug legalization in the Western Hemisphere, however, is the key to the whole package. Six months ago, leaders of the drug lobby in the United States reported to investigators they had set out to achieve one objective before the end of the second Reagan administration, to revive discussion of drug legalization as a "legitimate" option. Reagan's promise to carry out a War on Drugs had destroyed all the advances the drug lobby achieved under Carter, these sources complained.

The key to reversing the anti-drug sentiment which swept the United States under Reagan, drug-lobby strategists argued then, is to present dope as too formidable an enemy to beat. Linowitz's 1986 Inter-American Dialogue Report signals that the Eastern Establishment elite has decided that now is the time to implement that strategy.

The Dialogue's Report hammers away at how difficult *defeating* the narcotics business will be, until they arrive at

their desired conclusion.

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. . . . Waging the war on drugs costs money. . . . Readiness to explore fresh approaches, including some not now on the political agenda,

is needed, says the Report. A regional body is proposed,

to 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.

The report acknowledges that legalization could lead to at least 60 million people using cocaine in the United States, and protests that its members "are well aware of the risks of making dangerous drugs available legally, and are not ready ourselves to advocate it." That fig leaf attached, the report then continues to push legalization. It is a study in sophistry.

Because narcotics are illegal, and because of the enormous profit to be made from them, crime and corruption are inevitably associated with drug abuse. . . . Drug addiction is a tragedy for addicts. The illegality of drugs, however, makes the damage greater for both the addicts and the societies of the Americas. Addicts must deal with criminals, and hence run the risk of death from contaminated drugs. Society suffers from the crimes committed to finance drug habits. And Latin America and the United States are wracked by the corruption and organized crime associated with illicit drugs.

If selective legalization of drugs could reduce the enormous decrease vice and corruption. It might also shift demand away from *the most harmful drugs* [emphasis added].

To sustain the argument, narco-terrorism, the integrated underworld which threatens civilized life in the Americas, is dismissed briefly. "Drug criminals and anti-government guerrillas often cooperate with one another. *In a few cases,*" they state, "the guerrillas themselves are involved in the narcotics trade. *More typically,* traffickers and guerrillas operate in the same regions, distant from national capitals and beyond the control of central governments—the common enemy against which they are tacitly allied [emphasis added]." Thus swept away by the Dialogue's members is the M-19's assassination of half of Colombia's supreme court in November 1985, on behalf of the cocaine kings.

The bottom line on narcotics for the Dialogue, however, is profits.

The argument is an old one. In 1923, British Lord Inchcape, of P&O Steamship, authored a report for the League of Nations, which argued that the opium trade must be kept legal, in order to "protect the revenues" of the British colonies, so that they could continue to meet debt payments to the British Crown.

"Waging war on drugs cost money," argues the Dialogue, a statement with as much meaning, as, say, the statement, "wearing clothes costs money." The Report then continues:

More important, it will inevitably result in the loss of jobs, income, and *foreign exchange* that the drug trade provides, unless legitimate economic growth provides a decent alternative. . . . To curtail drug production is to destroy the livelihoods of tens of thousands of people, to cripple local economies, and to foment political opposition. Moreover, although only a small fraction of drug profits return to producing countries in Latin America, *the amounts are substantial for strapped economies carrying large burdens of external debt.* In Peru, repatriated drug profits of an estimated \$600 million represent 20% of official export earnings [emphasis added].

Loss of jobs from a war on drugs? Cripple the economy? For 10 years, Dope, Inc. has seized control of ever larger chunks of the Ibero-American economies. Money-flows through Ibero-America have increased with the cocaine boom, but production of real wealth has collapsed to levels of the early 1960s, but which today must sustain a much increased population. Millions more Ibero-Americans are starving than ever before. Credits and inputs have shifted from food production, into the ultimate "cash crop," narcotics. Where governments have successfully raided marijuana plantations, such as those in Chihuahua, Mexico, or the enormous cocaine laboratories in the jungles of Peru and Colombia, no colonies of well-to-do peasants have been uncovered, but slave labor camps, where the local populations, including young children, have been impressed into labor for the mafia.

Like the description of the "tacit alliance" between "guerrillas" and the mob, the Inter-American Dialogue's picture of life in a narcotics economy is a lie.

The jobs that might indeed be lost in a serious war on drugs, are their own. Signing the report are the cream of the Eastern Establishment: Trilateral Commission members McGeorge Bundy, Robert McNamara, Cyrus Vance, and Elliot Richardson; corporate "leaders" such as Ralph Davidson, chairman of Time, Inc., Ford Foundation President Franklin Thomas, IBM's Ralph Pfeiffer; and politicians such as Arizona Gov. Bruce Babbitt and San Antonio, Texas Mayor Henry Cisneros.

"Each member subscribes to the report's overall content and tone, and supports its principal recommendations," states the preface to the report, "except as noted by individual

statements appended to the text." Not one member of the group objected to the report's arguments on narcotics.

Represented on the Commission are the top rosters of Dope, Inc.'s banking houses: the chairman of Marine Midland Bank, John Petty; Chemical Bank's Terence Canavan; co-chairman of First Boston International, Pedro-Pablo Kuczynski, who served as energy and mines Minister in Peru under Prime Minister Manuel Ulloa in 1980-82. Mexican "industrialist" Augustin Legorreta used to be a banker, until Mexican President José López Portillo nationalized the banks.

Leading supporters of liberation theology signed the Dialogue's call. Father Xabier Gorostiaga, a Panamanian Jesuit now working for the Sandinista government in Nicaragua; and the Chase Manhattan bank board member who coordinates the "American Heresy" within the Catholic Church from his post as president of Notre Dame University, Theodore Hesburgh. Panama's Catholic Archbishop Marcos McGrath also signed the report without qualification.

Latin American representatives on the Commission include men whose careers soared in their countries, because of the pro-drug atmosphere in Washington under Carter. Men like Panama's Nicolás Ardito Barletta, the former President of Panama who quit his post in September 1985, rather than defend his nation from the International Monetary Fund. For more than a decade before, Barletta had overseen the operations of Panama's off-shore banking center. Also signing is Rodrigo Botero, the Colombian banker who as finance minister in the presidency of Alfonso López Michelsen created the so-called "sinister window" at Colombia's central bank, which allowed drug money to be deposited, no questions asked.

Counter to the LaRouche plan

Under the 15-point Anti-Drug War Plan drawn up by U.S. presidential candidate Lyndon LaRouche, each of these men could be arrested and tried, for serving our nations' enemies, during time of war.

as the fifth column within, undermining the fighting morale of the governments of the region (see box).

LaRouche's proposals for the Americas were the unspoken agenda item of the Dialogue—in fact, its reason for existence. Linowitz established the Dialogue group in 1983, in an attempt to hold together traditional channels of power between the American blue-bloods of Dope, Inc., and their Ibero-American "colonies." The self-assigned task of the Dialogue's participants, calling themselves the "moderate and pragmatic leaders" of the continent, was to determine the priorities and options for action by the nations of the hemisphere, so that no patriotic movement could break the dope bankers' control.

U.S.-Ibero-American relations had suffered their most profound crisis in decades in 1982. U.S. support for Great Britain's colonialist adventure against Argentina in the Malvinas War, violated U.S. treaty obligations with its American neighbors. The debt crisis followed immediately upon the

Malvinas, in August 1982, with the United States insisting that support for the International Monetary Fund be the test of any nation's alliance with the United States.

As Ibero-America's elite considered the effect of U.S. policy upon their historic relations with that nation, LaRouche proposed a strategy for Ibero-America to both defend itself, and tip the scales against the Soviet-allied Liberal Establishment within the United States itself. Written in July 1982, LaRouche's pamphlet, *Operation Juárez*, demonstrated how Ibero-America could rapidly become an economic and political superpower for Good within the world, by forming a science-driven common market. Political will and audaciousness, LaRouche argued, are the only ingredients lacking for such a strategy.

Operation Juárez created a powerful counter-faction in the Americas, which looked to LaRouche's forces in the United States to help them clean Dope, Inc. and the Soviets out of the Hemisphere. In 1983, the "Linowitz Commission take two" was hurriedly created to defend the sway of the banker's pragmatic "Protestant ethic," against the threatened outbreak of optimism about Ibero-America's potential for "greatness."

Soviets, yes; national defense, no

The economic proposals of *Rebuilding Cooperation in the Americas* provide an element of humor. After all, there is a certain irony created when Chicago University's Nicky Barletta, or "PPK," as First Boston's co-chair Kuczynski likes to be called, sign a statement warning that "democratic governments should be helped to overcome their tough economic problems, not taught lessons about particular economic orthodoxies."

The debt crisis has not passed, the Dialogue acknowledges. Nor have the economies in the region recovered from the depression levels to which paying the debt has reduced them. And the Dialogue proposes that a "comprehensive program of inter-American economic cooperation" be drawn up, "to restore economic health to the region."

Presented as going "beyond" the Baker Plan, U.S. Treasury Secretary James Baker's call for a \$20 billion increase in lending to the world's debtors, the Dialogue's five-point "comprehensive program" is still one more variation on IMF austerity. Debt payments and commodity prices have turned Ibero-America into a net exporter of capital, transferring 6% of yearly GNP out to the creditors. That capital drain must be reduced, the Dialogue insists, to equal only 3% of GNP yearly! \$20 billion a year in new monies are needed for Ibero-America alone. Where will such sums come from? Capitalizing interest payments, can be called new money, they propose, as can the value of property titles handed over to Ibero-America's creditors, in payment, under "debt for equity" schemes. Foreign investment can be called new lending, and will increase, as long as "suitable exchange rates" are maintained, so foreigners can buy Ibero-America up cheap.

Perhaps most entertaining is the proposal for the "creation

of a mutual fund, perhaps under the auspices of the World Bank or IDB [Inter-American Development Bank], to attract flight capital and other funds for reinvestment in Latin American countries." Some \$1 to \$2 billion might return a year to Ibero-America, the Dialogue suggests, of the "more than \$100 billion" Latin region."

"Conditions will, and should, be placed on Latin American countries in exchange for new financing," the Dialogue states, and governments should join a "standing group" of bankers and international financiers, to work out a regional "consensus" of the pragmatists accepting the International Monetary Fund rule.

The next task of the Dialogue, they report, will be to set up a special task force to discuss weakening the military institutions of Ibero-America, with Central America's militaries targeted in particular. The task force, to include military and civilian leaders, will issue "detailed recommendations" on how to "institutionalize civilian control of the armed

forces."

The Dialogue speaks of coordinating a "network" of parties, trade unions, women's groups, students, etc., into a sort of Democratic International, which can counter both "communists and the military establishments." Also praised is the U.S. State Department's Project Democracy, financed through the National Endowment for Democracy.

Who does the Dialogue work for? Says the Dialogue, the Soviet Union's right to interfere in Western Hemisphere matters must be institutionalized, and the U.S.-Soviet "talks" on regional matters, first held in 1985, regularized. "We welcome the initiative of the current U.S. administration to discuss issues of regional security with leaders of the Soviet Union," the Dialogue states, because it can "help to prevent superpower competition from intensifying." They suggest, "It is worth exploring whether discussions between the United States and Cuba might advance the cause of peace." Believes the Linowitz Commission, "Neither country stands to gain from escalating conflict in the region."

LaRouche: Prosecute advocates of legalization

At a March 1985 seminar in Mexico City, EIR first presented a 15-point war plan against narcotics for the Western Hemisphere, drawn up by Lyndon LaRouche. Excerpts of the war plan relevant to the signers of the Inter-American Dialogue follow.

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. . . .

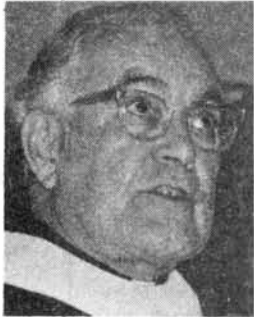
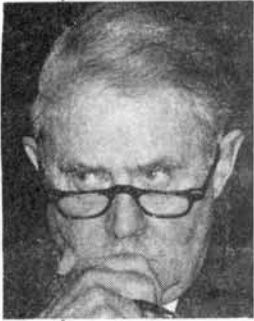
2) Law-enforcement methods must support the military side of the War on Drugs. The mandate given to law-enforcement forces deployed in support of this war, must be the principle that collaboration with the drug-traffic, or with the financier or political forces of the international drug-traffickers, is treason in time of war. . . .

2)b) Any person . . . advocating the legalization of traffic in such substances, or advocating leniency in anti-drug military or law-enforcement policy toward the pro-

duction or trafficking in drugs, is guilty of the crime of giving aid and comfort to the enemy in time of war. . . .

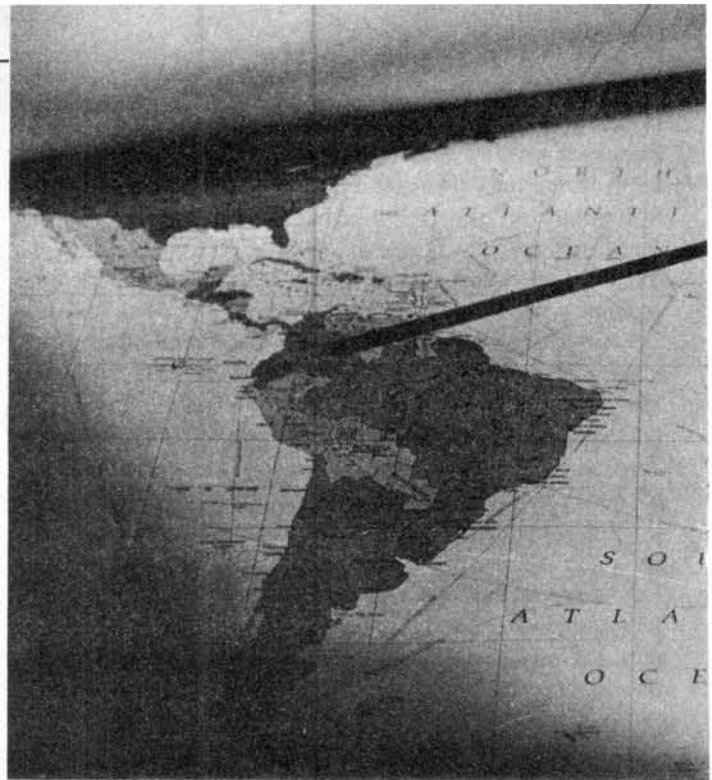
11) The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug-trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the 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. . . .

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 conducting the revenues of the drug-trafficking. . . . 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 which the usage and trafficking of drugs. Investigation has shown that the associations engaged in such advocacy are political arms of the financial interests associated with the conducting 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.



United States and Canada

Sol M. Linowitz, Co-Chairman: Former U.S. Ambassador to the Organization of American States and Co-Negotiator of the Panama Canal Treaties; **Peter D. Bell, Co-Vice Chairman:** President, Edna McConnell Clark Foundation; **Bruce Babbitt:** Governor of Arizona; **McGeorge Bundy:** Former National Security Adviser; **Terence C. Canavan:** Executive Vice President, Chemical Bank; **Henry G. Cisneros:** Mayor of San Antonio; **Joan Ganz Cooney:** President, Children's Television Workshop; **Ralph P. Davidson:** Chairman of the Board, Time, Inc.; **Jorge I. Domínguez:** Professor of Government, Harvard University; **Marie-Josée Drouin:** Executive Director, The Hudson Institute, Canada; **Dianne Feinstein:** Mayor of San Francisco; **Maurice A. Ferré:** Former Mayor of Miami; **Albert Fishlow:** Chairman, Department of Economics, University of California, Berkeley; **Douglas A. Fraser:** Former President, United Auto Workers; **Hanna Holborn Gray:** President, University of Chicago; **Ivan L. Head:** President, International Development Research Centre, Canada; **Theodore M. Hesburgh:** President, University of Notre Dame; **Don Johnston:** Chairman, J. Walter Thompson Company; **Juanita M. Kreps:** Former Secretary of Commerce; **Robert S. McNamara:** Former President of the World Bank and Secretary of Defense; **William G. Milliken:** Former Governor of Michigan and Chairman of the National Conference of Governors; **Edmund S. Muskie:** Former Secretary of State and Senator from Maine; **Hernán Padilla:** Former Mayor of San Juan, Puerto Rico, and Chairman of the National Conference of Mayors; **John R. Petty:** Chairman and Chief Executive Officer, Marine Midland Banks, Inc.; **Ralph A. Pfeiffer, Jr.:** Chairman, IBM World Trade Americas/Far East Corp.; **Robert D. Ray:** Chairman, Life Investors Inc. and Former Governor of Iowa; **Elliot L. Richardson:** Former Secretary of Defense and Attorney General; **Franklin A. Thomas:** President, The Ford Foundation; **Cyrus R. Vance:** Former Secretary of State; **Clifton R. Wharton, Jr.:** Chancellor, State University of New York System.



Who's out to m The 'citizens a of 'Inter-Ameri

Left, from top: Every one of these figures is an leading advocate of the Nuclear Freeze movement, a foe of the Strategic Defense Initiative, and a proponent of a "New Yalta" scheme for dividing up the world with the Soviets. **McGeorge Bundy**, "chairman of the Eastern Establishment," architect of the Vietnam War. **Robert S. McNamara**, perpetrator of the Vietnam "body count" as defense secretary under Kennedy and Johnson; population-reduction fanatic, whose policies at World Bank led to genocide. **Cyrus Vance**, secretary of state under Carter who helped Khomeini takeover in Iran; Trilateral Commission member; initiated "Global 2000 Report." **Edmund Muskie**, Jimmy Carter's last secretary of state, issued genocidal "Global 2000 Report" blueprint for cutting world population by 2 billion by the year 2000. **Theodore Hesburgh**, Trilateral Commission; board of Chase Manhattan Bank; under his tutelage Notre Dame Univer-



Make dope legal: above suspicion' the can Dialogue'

sity became center of U.S. opposition to Vatican, focused on population-control and related issues.

Right, from top: **Pedro-Pablo Kuczynski**, indicted in 1986 for illegal oil dealings as Energy and Mining Minister of Peru (1980-82); widely named in connection to drug-money laundering as co-chairman of First Boston International. **Nicolás Ardito Barletta**, as planning minister, oversaw the creation of Panama's notorious offshore banking center; later was vice-president of World Bank. **Israel Klabin**, as mayor of Rio de Janeiro, hosted international board of Center for Strategic and International Studies in 1981 which reportedly discussed developing Amazon as cocaine zone. **Augustín Legorreta**, was board chairman and president of *Financiera Banamex*, one of the biggest banks nationalized by the Mexican President in 1982 for capital flight and large-scale irregularities.

Latin America and the Caribbean

Galo Plaza, Co-Chairman: Former Secretary General of the Organization of American States and President of Ecuador; **Rodrigo Botero, Co-Vice Chairman:** Former Finance Minister, Colombia; **Peggy Antrobus:** Professor, University of West Indies, Barbados; **Nicolás Ardito Barletta:** Former President of Panama; **Guillermo Bueso:** Former President, Central Bank of Honduras; **Oscar Camilión:** Former Foreign Minister, Argentina; **Fernando Henrique Cardoso:** Senator, State of Sao Paulo, Brazil; **Robert Civita:** President, Editora Abril, Brazil; **Oliver F. Clarke:** Chairman and Managing Director, *The Gleaner*, Jamaica; **José María Dagnino Pastore:** Former Finance Minister, Argentina; **Jorge Fontaine:** President, Federation of Production and Commerce, Chile; **Alejandro Foxley:** President, Corporation for Economic Studies of Latin America, Chile; Professor of Economics, University of Notre Dame; **Carlos Fuentes:** Writer and Former Ambassador, Mexico; **Florángela Gómez Ordoñez:** President, Banco Popular, Colombia; **Xabier Gorostiaga:** Director, Regional Association for Economic and Social Research, Nicaragua; **Osvaldo Hurtado:** Former President of Ecuador; **Elsa Kelly:** Ambassador to UNESCO, Argentina; **Israel Klabin:** Industrial and Former Mayor of Rio de Janeiro, Brazil; **Pedro Pablo Kuczynski:** Co-Chairman, First Boston International and Former Minister of Energy and Mines, Peru; **Augustín F. Legorreta:** Financier and Industrialist, Mexico; **Marcos McGrath:** Archbishop of Panama; **Daniel Oduber:** Former President of Costa Rica; **José Francisco Peña Gómez:** Mayor of Santo Domingo, Dominican Republic; **Alberto Quirós:** Director, Editora *El Nacional*, Venezuela; **Javier Silva Ruete:** Senator and Former Finance Minister, Peru; **Leopoldo Solís:** Chairman, Council of Economic Advisers, Mexico; **Julio Sosa Rodríguez:** Industrialist and Economic Adviser, Venezuela; **Gabriel Valdés:** President of Christian Democratic Party and Former Foreign Minister, Chile; **Mario Vargas Llosa:** Writer and Former President, PEN International, Peru.

