

Soros bankrolls global drive for drug legalization

by Jeffrey Steinberg

On Feb. 5, *New York* magazine published a 12-page cover story, headlined "Drugs Are Bad, the Drug War Is Worse," peddling such drug policy "reforms" as free distribution of hypodermic needles to heroin addicts, and the legalization of some currently illegal drugs, including marijuana. *New York* dubbed the Clinton administration's anti-drug effort "the no-win war," and trotted out a collection of well-known legalization advocates to attack efforts by the New York City Police Department to crack down on the city's latest drug epidemic.

On the same day, *New York Times* columnist Anthony Lewis called for an end to "drug prohibition." Lewis trumpeted another piece of pro-drug propaganda, a cover story in the Feb. 12 issue of William F. Buckley's Conservative Revolution journal, *National Review*, headlined "The War on Drugs Is Lost: Kill It, Go for Legalization, Free Up Police, Courts, Reduce Crime." For weeks leading up to Feb. 12, a small army of well-heeled publicists for the Buckley magazine sent out thousands of advance copies of the "findings" of the *National Review* study, and marshalled every "Friend of Bill Buckley" in the national press corp to boost it. *New York* magazine had also featured the Buckley endorsement of drug legalization in its cover story.

In the introduction, Buckley failed to mention that he has been a leading advocate of drug legalization for decades; that he was a founding member of the National Organization for the Reform of Marijuana Laws (NORML), the Playboy Foundation-bankrolled U.S. dope lobby in the 1970s which was staffed by hippies and counterculture anarchists who also ran *High Times* magazine, the trade journal of the drug-paraphernalia industry; or that the Mont Pelerin Society, for which *National Review* speaks, is perhaps the leading "free trade" agency peddling drug legalization in the world today. In a late-1970s syndicated column, Buckley had thumbed his nose at U.S. law enforcement, boasting about smoking pot on his yacht, just outside U.S. territorial waters.

Earlier, on Jan. 26, the *San Francisco Chronicle* had published a lead editorial



Drug-legalization advocate William F. Buckley (center) at a Young Americans for Freedom conference in New York City in August 1977. With him is his friend Henry Kissinger (left), and former Secretary of the Treasury William Simon (at the podium).

proclaiming “New Strategy Needed in Failed War on Drugs”; and the next day, the *Chicago Tribune* had asked in a lead editorial: “The War on Drugs: Worth the Price?”

Clinton’s anti-drug crusade

These diatribes were provoked, in part, by the fact that President Clinton, in his State of the Union address, had announced the appointment of four-star U.S. Army Gen. Barry McCaffrey, the country’s most decorated living soldier, as the White House drug adviser, and had reiterated his administration’s long-standing policy of “zero tolerance” for anyone peddling drug legalization.

But at the root of the dope-legalization drive is growing hysteria in London and on Wall Street over the looming global financial blowout. The \$800 billion in annual narco-dollars could provide a margin of short-term survival for the doomed system, these speculators naively hope.

Despite Republican Party efforts to portray President Clinton as “soft on drugs,” the administration has, in fact, launched possibly the most ambitious crackdown on the international drug trade of any U.S. administration.

Last October, the President signed a series of Executive Orders and Presidential Decision Directives, marshalling all of the resources of the Executive branch to shut down the 50 biggest drug-money-laundering operations in the world. He declared a state of national emergency over the growing power of international organized crime, and banned U.S. companies from having any dealings with nearly a hundred

firms and individuals identified as fronts for the Cali Cartel.

U.S. intelligence and drug-enforcement personnel collaborated with Colombian police and prosecutors in capturing the top leadership of the Cali Cartel during 1995, despite the best efforts of that country’s narco-government to aid the traffickers. Perhaps the toughest decision made by the Clinton administration—over British and domestic “Bush league” opposition—was the decertification of Colombia.

The Clinton administration’s anti-drug drive has escalated since the confirmation of General McCaffrey as head of the White House Office on National Drug Control Policy (ONDCP). On March 6, five days after President Clinton decertified Colombia for its failure to collaborate with U.S. anti-drug efforts, the President, during a swearing-in ceremony for McCaffrey at the White House, announced that he was beefing up the White House anti-drug office to 150 full-time employees, including 30 active-duty military personnel, and that McCaffrey would be serving both as a full member of his cabinet and as a member of the National Security Council.

The next day, at a rally at Eleanor Roosevelt High School in Greenbelt, Maryland, the President, joined by McCaffrey, Vice President Al Gore, and seven cabinet secretaries, launched a new domestic anti-drug initiative, aimed at curbing drug use and drug-related violence among teenagers. In recent years, marijuana and other illicit drug use among 12-17-year-olds has been steadily rising, and youth violence has been skyrocketing.

London's Dope, Inc. under fire

London *Sunday Times*'s Washington bureau chief James Adams conceded late last year, that the President's anti-drug actions directly targeted the City of London and its vast network of offshore hot-money centers. Since the Clinton crack-down on drug-money laundering, Adams confessed, London has become the new global center for hot money, with an estimated \$400 billion in drug dollars flowing through the British banks last year alone.

This was not news for the several hundred thousand citizens of the Americas who have read the English and Spanish editions of the book *Dope, Inc.*, by the editors of *EIR*, which pinpointed the British oligarchy and the City of London financial establishment as the board of directors of the world's now nearly trillion-dollar-a-year illegal drug trade. (Work is now in progress on a new, second volume of the drug study, updating the road map of Dope, Inc. in the post-Cold War era.)

Reflecting British growing concern over the Clinton escalation against drug-money launderers, on March 1, the London *Financial Times* backed drug legalization in an editorial, "U.S. Is Wrong on Drugs." After calling for the Clinton administration to recertify Colombia's anti-drug effort, despite the fact that the country's President, Ernesto Samper Pizano, had taken millions of dollars from the Cali Cartel to bankroll his election campaign, the editorial concluded: "What is also needed is a rational public debate on the whole drug issue, up to and including the possible decriminalization of some currently illegal substances."

One could easily get the impression from this media barrage, that there is a growing mood in the United States (despite the Clinton administration's efforts) in favor of dope legalization. But nothing is further from the truth.

A simple explanation

There is a simple explanation for much of this rash of pro-drug propaganda: George Soros, the billionaire, modern-day pirate, is pouring tens of millions of dollars into the propaganda drive to legalize drugs. Soros's Netherlands Antilles-based Quantum Fund has wreaked havoc, speculating against the national currencies of several European countries, and he has recently set his sights on bankrupting the U.S. federal government and making a killing off of the collapse of U.S. Treasury bonds.

In the past year, Soros has donated over \$10 million to the Drug Policy Foundation (DPF), the leading drug-legalization outfit in the United States; set up his own drug lobby, the Lindesmith Center, and staffed it with several top officials of the DPF, including Dr. Ethan Nadelman; and poured millions of additional funds into a range of other drug "reform" outfits, including Drug Strategies, headed by Malthea Falco, a former Carter administration drug policymaker and NORML founder, who is married to a senior official of the New York Council on Foreign Relations.

Through Soros's largess, the same small band of drug lobbyists which has been operating for decades, has been able

to launch a media blitzkrieg, aimed, in part, at defeating the Clinton administration's escalation of its anti-drug efforts, and at pressing ahead with legalization in other parts of the world, such as western Europe, where the drug lobby has been making serious inroads.

Other examples of Soros's largess include: On Oct. 10-12, 1995, the Association of the Bar of the City of New York's Special Committee on Drugs and the Law staged public hearings on "new approaches to drug policy, including legalization and regulation." The panels were stacked with Soros clones, including Ethan Nadelman and Marianne Apostolides, of his Lindesmith Center; David Condliffe, Arnold Trebach, Dr. Lester Grinspoon, and U.S. District Court Judge Robert Sweet, of the DPF; Malthea Falco, of Drug Strategies; and Mary Cleveland, of Partnership for Responsible Drug Information, another Soros-allied drug legalization front. Soros's Lindesmith Center videotaped the proceedings and is selling copies, according to the DPF's summer 1995 *Drug Policy Letter*.

Last Autumn, DPF director Joseph McNamara, a former police chief of San Jose, California, now on the faculty of the Hoover Institute, a Palo Alto, California-based think-tank dominated by members of the Mont Pelerin Society, hosted a conference of 38 law enforcement officials, who were inundated with propaganda extolling the virtues of legalization. Speakers included former Reagan administration Secretary of State George Shultz, a longtime DPF booster, and Baltimore Mayor Kurt Schmoke, a DPF director who, several years ago, received a \$100,000 cash award from the DPF for his efforts to peddle drug legalization.

The recent flood of Soros-bankrolled pro-drug propaganda is also inundating western Europe and Ibero-America, where a far more ambitious, and potentially successful drive is under way to implement key planks in the drug legalization agenda. Not only does DPF literature extol the virtues of the Dutch, Swiss, and British "experiments" in drug legalization—despite massive evidence that all of these pilot projects have only led to increased drug use and drug-related violence and crime—but the drug legalizers in Europe have jumped on the *National Review* and *New York* magazine cover stories as "proof" that there is a growing mood of opposition to the war on drugs inside the United States.

Two simple rules of thumb

After nearly 20 years of probing the roots of the pro-drug movement, *EIR* researchers have developed two simple rules of thumb: First, anyone who pushes drug legalization is either a witting agent or, at best, a dupe of the worldwide drug cartel, which we have dubbed "Dope, Inc."

Second, Dope, Inc. is run top-down by the world's most powerful financier families, ultimately led by the House of Windsor and its allied Club of the Isles. Therefore, it should come as no surprise that the roster of drug legalizers includes some of the world's best-known and influential politicians and financiers, including Shultz, former U.S. Attorney Gen-

Legalizers speak out

George Shultz, former U.S. secretary of state, Oct. 7, 1991: "The time has come to make it possible for addicts to buy drugs at some regulated place at a price that approximates cost. . . . We need at least to consider and examine forms of controlled legalization of drugs."

Jorge Ochoa, jailed capo of the Medellín Cartel, to Colombian journalists, in February 1995: "It's a world problem. Legalize it the way they did with alcohol." Ochoa said that when he gets out of prison, he will campaign for legalization.

Milton Friedman, member of the Mont Pelerin Society, in the May 1972 issue of *Newsweek*: "We cannot end the drug traffic. . . . The individual addict would clearly be better off if drugs were legal." In his 1983 book *Tyranny of the Status Quo*: "The tide is turning away from the doctrine of social responsibility. . . . Legalizing drugs might increase the number of addicts . . . [but] whatever happens to the total number of addicts—and the possible increase of that number—the individual 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."

The London *Economist*, 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."

William F. Buckley, Jr., in a speech to the Bar Association of the City of New York, summer 1995, reprinted in

National Review, Feb. 12, 1996: "A conservative should evaluate the practicality of a legal restriction, as for instance in those states whose statute books continue to outlaw sodomy, which interdiction is unenforceable, making the law nothing more than print on paper. I came to the conclusion that the so-called war against drugs was not working, that it would not work absent a change in the structure of the civil rights to which we are accustomed and to which we cling as a valuable part of our patrimony. And that therefore . . . we should look into what effects the war has, a canvass of the casualties consequent on its failure to work. That consideration encouraged me to weigh utilitarian principles: the Benthamite calculus of pain and pleasure introduced by the illegalization of drugs. . . . It is outrageous to live in a society whose laws tolerate sending young people to life in prison because they grew, or distributed, a dozen ounces of marijuana. I would hope that the good offices of your vital profession would mobilize at least to protest such excesses of wartime zeal, the legal equivalent of a My Lai massacre. And perhaps proceed to recommend the legalization of the sale of most drugs, except to minors."

Elliot Richardson, former U.S. Attorney General, for the Inter-American Dialogue, April 28, 1988: "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."

Dr. Norman Zinberg, founder, Drug Policy Foundation: "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."

eral and Inter-American Dialogue member Elliot Richardson, Nobel Prize-winning monetarist Milton Friedman, and the current and former Heads of State of several Ibero-American countries.

One of the most glaring examples of the first of these principles is the case of Colombia's President Ernesto Samper Pizano. *EIR* investigators and allied American and Colombian anti-drug activists have been tracking Samper's career since the late 1970s, when he first surfaced in the United States in league with NORML.

At that time, Samper led an unsuccessful effort to win United Nations non-governmental organization status for an international drug-legalization front, the International Cannabis Alliance for Reform. Efforts by a worldwide movement of anti-drug coalitions, founded by Lyndon LaRouche and others, following the 1978 publication of the first edition of *Dope, Inc., Britain's Opium War Against America*, blocked Samper's efforts, and successfully rolled back a NORML

state-by-state drive to win legalization of marijuana, which had the backing of top officials in the Carter White House. At the time, the 28-year-old Samper arrogantly told one Colombian anti-drug fighter that he would someday be President of Colombia, because he was part of a "long-term project" to turn Colombia into the world's first narco-democracy. Throughout his career, Samper has been nothing more than a bagman and political mouthpiece for Colombia's cocaine cartels and their international patrons.

Conservative Revolution pushes dope

For 20 years, the semi-official house organ of the secretive Mont Pelerin Society has been Buckley's *National Review*. Within weeks of the radical free market group's semi-annual meetings, *National Review* has historically published the only available public account of the event. Founded by Austrian School ideologue Friedrich von Hayek to revive the Conservative Revolution—under British Crown sponsorship—follow-

ing the defeat of Hitler, the Mont Pelerin Society serves as the de facto ministry of the exchequer for the worldwide underground economy. It is, therefore, not surprising that Mont Pelerin's longtime vice president, Milton Friedman, has been one of the most vocal advocates of unbridled drug legalization.

But the key to the Mont Pelerin Society's role in the worldwide drive to legalize drugs, is to be found in the 1980 keynote speech at its gathering at the Hoover Institute, delivered by Max von Thurn, the scion of the 600-year-old Venetian Thurn and Taxis family. Von Thurn called for the abolition of all distinctions between the above-ground and the underground economies, and demanded the complete integration of the offshore, criminal enterprises into the mainstream of the world economy.

For years, Mont Pelerin Society front-groups, such as the Fairfax, Virginia-based Atlas Institute, the Pacific Research Institute in San Francisco, and the Washington, D.C.-based Cato Institute, have been churning out "objective" studies on why drugs should be legalized.

In the mid-1980s, the Pacific Research Institute hired two of NORML's founders, Harvard University professors Norman Zinberg and Lester Grinspoon, to prepare a study, *Dealing with Drugs: Consequences of Government Control*. In that report, DPF President Arnold Trebach spelled out the legalization strategy: "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."

During the Bush administration, the dope lobby was riding high—pointing to Bush's miserable (intentionally so) track record in the war on drugs as "proof" that victory was impossible. Clinton's break with Bush's narco-collusion has changed all that—and now the dope lobby is hoping that piles of Soros money will help recoup the setbacks.

Dope, Inc.'s Soros: Vesco of the 1990s

by Scott Thompson and Jeffrey Steinberg

According to a former business partner of George Soros, back in the late 1960s, when Soros was starting up his offshore investment empire, he turned to one of the Rothschild family's retainers to obtain his start-up capital. It was an ironic and, perhaps, prophetic choice. George Karlweis, Soros's initial benefactor, had, just a year earlier, put up seed funds, courtesy of Rothschild's Banque Privée, to launch the career of an ambitious man from Detroit, Michigan named Robert Vesco.

With Karlweis's backing, capital infusions from Me-

shulim Riklis, a financial front man for Drexel Burnham's Michael Milken, and with legal and financial support from the Anti-Defamation League of B'nai B'rith, Vesco launched a string of takeovers, beginning with the buyout and looting of Investors Overseas Services, a shady, Swiss-based mutual fund that had been used by National Crime Syndicate boss Meyer Lansky to launder proceeds from his illegal drugs and gambling empire. Vesco spent the next 20 years parlaying the \$260 million he looted from IOS into his own global crime syndicate. Vesco became, first, the "American Connection" to the Medellín Cartel's chief of logistics, Carlos Lehder Rivas, and, eventually, Fidel Castro's bag-man for Cuba's drug trafficking, industrial espionage, and narco-terrorist operations throughout the Western Hemisphere.

Vesco was a creature of the 1970s and 1980s, an era when financial speculation was still measured in the tens and hundreds of millions of dollars, and when the deregulation of the world financial system was still in its initial stages.

Historians may well look back on Soros, who, in one 48-hour speculative binge in September 1992, made a \$1 billion net profit by crippling the Italian lira and British pound-sterling, as the Robert Vesco or the Robert Maxwell of the late-1990s. At the peak of their careers, Vesco and Maxwell, the British wartime assassin-turned-speculator, were viewed as pioneers in the late-twentieth-century "growth industry" of financial piracy.

Today, Soros is the king of the financial pirates. But, what Soros is today, Vesco was in 1972, and Maxwell was in 1986. All three are wholly owned by the City of London and the financial establishment associated with the House of Windsor and the Club of the Isles. Contrary to media mythology, they are not "independent" characters, any more than "organized crime" is independent of the major international private banks.

Vesco's career ran aground in a run-down villa in Havana, Cuba, where he now sits under house arrest. The final chapter of the Vesco story is yet to be written.

Maxwell met a sorry end, floating face down in the sea off the coast of Spain, the victim of what only the most naive still view as a suicide. Maxwell, according to some accounts, got caught up in the mad scramble to loot a collapsing Soviet empire, and was murdered by rivals. According to other accounts, Maxwell double-crossed one-too-many intelligence services (he purportedly worked with, or for, British MI-6, the Israeli Mossad, the U.S. Central Intelligence Agency, and the Soviet KGB), and megalomaniacally began to see himself as an "independent," world-class financial power.

Events may be catching up

Events may be catching up with Soros in a similar fashion. Already, three Italian government probes are under way into his speculation against the Italian currency, the lira. There are unconfirmed reports that several U.S. federal regulatory agencies are looking into his more recent efforts to trigger a first-ever default by the U.S. government on the national debt. If, as some Wall Street sources assert, Soros was attempting