

## Editorial

### *On the trail of Dope, Inc.*

When *EIR*'s editors first came out with *Dope, Inc.* in 1978, there was no end of outrage about the book's accusation that leading financial circles were involved in the drug trade. Now, six years later, the story is all over the front pages of the weekly news magazines!

*Dope, Inc.*'s basic argument was simple: it was impossible for the more than \$200 billion of the dope trade to be carried out without the complicity of the leading world financial institutions. Hence, any competent investigators must begin by looking at the leading international bankers, particularly those with close relations with the British Empire. After all, the British Empire was on record as making a major portion of its income through the dope trade up until an international anti-drug treaty was signed in the 1920s, and there have been no visible signs of change from that pattern.

The investigators at *EIR*, of course, had no access to the kind of government resources which would be necessary to document just which banks were laundering how much drug money. We had to wait until the government of the United States, or others, decided to take up the fight.

The first indication that a government agency would move was in New York State in 1978, when the state banking superintendent, Muriel Siebert, initiated a thorough investigation of Hongkong and Shanghai, when that bank moved in to take over Marine Midland of New York. After a bloody battle, which brought international publicity, and then a heavy-handed intervention by Federal Reserve Chairman Paul Volcker, Hongkong and Shanghai finally got its license.

But now, with President Reagan's war on drugs, the momentum is shifting. The spotlight for drug-running has turned to the major, internationally connected U.S. banks. At least 41 are now under investigation by the enforcement division of the U.S. Treasury. The investigation is moving inexorably toward the banks named by *Dope, Inc.*

This fact should be beginning to be clear even to those who thought they would always be above suspicion. For example, it was in 1982 that *EIR* identified

two bordertown Texas banks involved in organizing capital flight from Mexico as drug banks. Today, they have been caught!

Then there is the case of the Bank of Boston, one of the preeminent banks which *EIR* also exposed in 1982 as involved in such criminal activity. As the reader knows, the Bank of Boston is currently at the very center of the Reagan administration's assault on the "legalized crime" of drug money laundering.

Nor should we overlook the case of the casinos, which *EIR* identified in *Dope, Inc.* as one of the major means of laundering dirty money—along with other high-cash-volume activities such as parking lots and race tracks. It was just a few weeks ago that casino interests in Atlantic City were put through the wringer for their ties to organized crime and drug running—an investigation which resulted in the rejection of licensing for Hilton Hotels, and almost decertified the notorious Resorts International.

Now, the federal government has announced that it is going to be expanding its regulations on reporting cash deposits and withdrawals—one of the chief means of catching drug money laundering by the banks—to casinos. One can expect that the rash of disclosures now coming out on the banks will soon be followed by similar "news" on the casinos as well.

Slowly, but surely, justice is being done.

But we propose a speedup in the procedure. Special reporting on cash transactions should not be limited to banks and casinos, but should be expanded to insurance companies, private banking and brokering companies, and credit card companies such as Amex. All those financial institutions with close working relationships to known drug money launderers—Crédit Suisse, Bank of Boston, Swiss Banking Corp., and other leading dirty money institutions—should be forced to carry out special reporting.

Perhaps this way, the approximately \$2 trillion in dirty money now floating through the U.S. banking system can be confiscated and put to moral use—before the drug bankers destroy us all.