

## Report from Rio by Silvia Palacios

### Drug mafia descends on Brazil

*The country is turning into a huge cocaine warehouse—especially in the areas of the Thurn und Taxis holdings.*

**B**razil has become a vast cocaine depository, where the drug is refined, packaged, and ultimately shipped off to Europe and the United States, according to the June 17 admission of Brazil's federal police director, Romeo Tuma, after having cracked an important link of the so-called Belgian connection. During the past year, cocaine shipments from Brazil have numbered in the hundreds.

On June 13, Rio de Janeiro police intercepted a shipment of 100 kilograms of pure cocaine, destined for Belgium and France. The shipment, well camouflaged, had a duly authorized export bill of lading from the government's foreign trade agency, CA-CEX. The individuals arrested in that drug bust, including the chief of the operation, one Edgar Barde, are part of the Sicilian network of mafioso Tommaso Buscetta, according to the police. The band also had in its possession a vast number of weapons and ammunition, all from Armed Forces' arsenals.

Edgar Barde launched his career in Switzerland, where he established an antique store which served as a front for exporting Far East heroin to the United States. His financial investments were concentrated in Switzerland and Texas, where he possessed bank deposits in dollars and diamonds.

In following the trail of criminal activities of this international drug-trafficking network, investigators have uncovered the fact that Brazil has become an alternative contraband route

to the original Peru-Mexico trafficking paths. Given the current conflicts in Central America, explained federal police chief Tuma, Brazil offers the drug mafia a more secure trafficking route.

At the present time, coca paste is brought to Brazil primarily from Bolivia, and to a lesser extent from Peru and Ecuador. The paste is refined in giant underground laboratories located in Rio de Janeiro, Sao Paulo, Mato Grosso, and Mato Grosso do Sul, and then smuggled into Miami, Paris, and Belgium.

One important reason that Brazil has become an international center of the cocaine trade is that ether, an indispensable chemical for the refining of coca paste into cocaine, is readily available in Brazil. The chemical is not produced in Colombia, Bolivia, or Peru, and its import into those countries is now carefully monitored.

According to reports published in the *Jornal do Brasil*, of Feb. 19, the mafia operates with total impunity in the states of Mato Grosso and Mato Grosso do Sul, thanks to the complicity of police officials there. Such was the case of the security secretary of Mato Grosso, who in February of this year was accused of involvement in cocaine trafficking and consumption.

In addition, Mato Grosso do Sul is a region controlled by the large landholders, a number of them known to be involved in the drug trade. In April, the federal police discovered that three giant cattle ranches, a major pharmaceuticals distributor, and an elegant

mansion in Mato Grosso do Sul served as the infrastructure for an international ring of drug traffickers. Not accidentally, it is also in Mato Grosso do Sul where the European oligarchic family Thurn und Taxis owns vast tracts of land.

Brazilian police estimate that during the past year, the international drug mafia moved at least six tons of pure cocaine through Brazil, and that figure is expected to be surpassed in 1986.

The cocaine trade has become one of Brazil's most lucrative businesses. "Perspectives of invoicing and marketing are \$1 billion a year, a figure substantially larger than the amount moved by the great majority of the country's private businesses," said a federal police spokesman to the daily *O Globo* June 22.

Another, more fundamental reason for why the international drug-trafficking mafia is making itself at home in Brazil is the fact that the financial elites of Dope, Inc. are now establishing their banking operations there. After 12 years of patient waiting, the Hong Kong & Shanghai Bank has succeeded in emerging from a mere representative office to full entrance into the financial speculative market in Brazil, with the creation of its HKB Distributor of Titles and Property Values.

Enormous ads in Brazil's newspapers and magazines heralded its triumphal arrival. "Brazil is going to know one of the world's largest financial groups," say the ads, which neglect to mention that Brazil is now also going to know the world's largest drug-money laundry. As the book by an *EIR* investigating team, *Dope, Inc.*, has documented, the Hong Kong & Shanghai Bank has functioned since its creation during Britain's Opium Wars as a central bank for liquidating Far Eastern transactions on the opium and heroin black market.