

Soviets wield narco-terrorism to demoralize Western Hemisphere

by Valerie Rush

Moscow's "irregular warfare" armies drove deep into Ibero-American political and geographical territory during 1987. Assisted by the economic collapse that has forced the continent into the grip of Moscow's ally, the International Monetary Fund, Soviet-sponsored narco-terrorism has emerged as the foremost threat to the sovereignty of Ibero-America's community of nations.

The regional collaboration against narco-terrorism which had looked so promising in 1986 was never concretized, or disappeared outright in all but a few cases. The Feb. 4 capture and extradition to the U.S. of Colombian cocaine czar Carlos Lehder proved to be a very singular—possibly the last—such success story of 1987. Drug cultivation and trafficking expanded despite the promising anti-drug operations begun by the Colombian military in early 1987. In Peru, President Alan García's "Operation Condor" anti-drug raids continued through 1987, but—in part due to lack of support from the APRA ruling party itself—became increasingly less effective.

Moreover, the Reagan administration—particularly the U.S. State Department—sided with the drug-runners so brazenly that it was impossible to put together a hemispheric military war against narco-terrorism in 1987. Thanks to the combination of U.S. backing for the drug running "Contras" in Central America and U.S. assaults on region's militaries (see page 52), the Soviets stand poised to capture entire portions of the continent, starting with the Andean heartland.

From the vantage point of Communist-controlled "independent republics" functioning as free drug zones, the Soviet's narco-terrorist armies would, in fact, be parallel governments. The Argentine delegation to a November 1987 conference of the Ibero-American militaries reported that the Soviets have used the drug trade to demoralize and defeat the Western Hemisphere, going back to the 1960s.

As we enter 1988, this is the reality in Ibero-America, however much the White House—still on its *glasnost* hon-

eymoon—hopes to deny it.

Perhaps the best way to evaluate the progress—or regression—of the war against narco-terrorism during 1987 is to measure it against two key criteria defined by U.S. presidential candidate Lyndon LaRouche in a March 1985 proposal for conducting a hemispheric war on drugs: 1) the necessity for collaboration—technological, financial, logistical, and intelligence—between the United States and its Ibero-American allies; and 2) strict controls over international banking transactions, with an eye to cutting off the financial lifeline of the international drug trade.

1) U.S.-Ibero-American cooperation

"Without help of closer collaboration between the United States, Mexico, Colombia, Venezuela, and other nations of this hemisphere, neither the United States nor any of the other republics could defeat the monstrously powerful complex of criminal, financial, and political forces who are behind the international drug traffic."

- The most serious blow to this critical aspect of a successful anti-drug war was delivered in 1986, when a Colombian Supreme Court terrorized by selective mafia violence voted 13-12 to overturn the 1979 U.S.-Colombia extradition treaty. A December 1986 attempt by the Supreme Court to declare the treaty illegal had been stalled by Colombian President Virgilio Barco; the court then attempted to get the executive to rule on the treaty's legitimacy, but the Council of State—a presidential advisory body—threw it back to the magistracy.

A split 12-12 vote on the issue forced the court to seek an outside judge to break the tie. At least three different choices, terrified by drug mafia threats, declared themselves "incompetent" to accept the responsibility. A judge was finally found to rule in favor of the treaty's defeat, which in turn, forced the Barco government to scrap a series of arrest warrants against the leadership of the Medellín Cartel of traffickers,

which had been premised on extradition petitions from the United States.

Just over one year ago, the extradition treaty was described by Colombian anti-drug specialist Col. Jaime Ramírez Gómez as the single most important obstacle to a mob takeover of Colombia. On Nov. 17, 1986 he was assassinated by mafia hitmen; weeks later the treaty faced its first legal challenge by the Supreme Court. However, in the last few months of 1987, newly appointed Justice Minister of Colombia Enrique Low Murtra has attempted to revive U.S.-Colombian collaboration. A survivor of the 1985 narco-terrorist assault on the Colombian Justice Palace which murdered half the Supreme Court and 90 others, Low Murtra has dedicated himself to reinstatement of the U.S.-Colombian extradition treaty, and has unequivocally defined "narco-terrorism" as the continent's number-one enemy.

- U.S. policy toward Central America, in particular White House/State Department support for the Nicaraguan Contras, buried the Reagan administration's much-touted "war on drugs." The Contras, as *EIR* was the first to prove, are up to their eyeballs in the filthy arms- and drug-smuggling networks run, among others, by the Soviets and the "anti-communist" Medellín Cartel of drug traffickers.

Honduras is a particularly egregious case, where U.S. reliance on that country's cooperation with the Contras, has meant that the Medellín Cartel—headquartered in Colombia—has been enabled to turn that Central American country into one of its main bases of operations. When Honduran drug trafficker Juan Ramón Matta Ballesteros, a long-standing collaborator of the Medellín Cartel and organizer of its Central America-Mexico route, "escaped" from a Colombian jail in 1986, it was to return home to Honduras where he—and his narco-dollars—were publicly welcomed by the country's finance minister.

Indeed, Matta has made himself very much at home. When Medellín Cartel kingpin Jorge Luis Ochoa was captured in Colombia on Nov. 21, 1987, he was driving the car of the Honduran military attaché in Colombia. A major Florida seizure of a record four tons of pure cocaine Nov. 18 traced back to Honduras, suggesting that Matta is doing a land office business. Yet Honduras's recent receipt of the first two of 12 jet bombers, purchased with U.S. loans, is not for deployment against the drug trade.

All the evidence notwithstanding, the State Department's annual strategy report on international narcotics matters has consistently neglected to include Honduras. And it was only after the four-ton cocaine bust in Miami that the Drug Enforcement Administration announced it would be reopening its office in Honduras, after a seven-year absence!

At the same time, the U.S. destabilization campaign against Panama, orchestrated by elements of the Project Democracy shadow government embedded particularly within the State Department, has been directed at Panama Defense Forces (PDF) chief Gen. Manuel Antonio Noriega, whose

anti-drug leadership—going back more than a decade—has been publicly recognized and the subject of numerous commendations by the U.S. Drug Enforcement Administration.

- Impoverished Bolivia, whose vast coca crops supply more than half the cocaine that inundates the United States, offers a tragic example of victimization by the cynical U.S. State Department, which has repeatedly imposed conditions on that country's anti-drug efforts, through threats to cut off Bolivia's already pathetic anti-drug aid. One such example was the State Department's insistence that the Bolivian military be excluded from "Operation Blast Furnace," part of the Project Democracy campaign to straitjacket, and ultimately emasculate, Ibero-America's militaries.

Gen. Lucio Añez, the retired chief of staff of the Bolivian Armed Forces, identified that tragedy before a conference of the Schiller Institute on March 26, 1987: "The only beneficiaries of the infamous austerity programs imposed on the nations of Ibero-America as a condition for rescheduling the foreign debt, have been the drug traffickers. . . . In Bolivia it is already a tragedy [where] the drug traffickers use their billions in profits to pay terrorist armies and to attract corrupt military men into rightist coup plots. This is where the greatest threat to democracy comes from. . . ."

"There must be collaboration and coordination among governments of those nations which accept the challenge of wiping out this scourge, based on mutual respect for national sovereignty. In general, the nations of Ibero-America have enough trained personnel to carry out this fight, but they lack the means to do it effectively, such as airplanes, helicopters, radar, and other modern systems of detection. Collaboration with the United States would remedy this situation. This collaboration *should not be conditioned, because you cannot set conditions on a war against drugs*. By itself, the war on drugs is to the benefit of all the nations of the hemisphere."

Collaboration has not, however, been forthcoming, and Bolivia's recent elections gave half the country over to the Nazi-linked ADN party of Hugo Banzer, whose 1971-78 reign brought in the infamous "cocaine colonels."

2) Targeting the finances

"A system of total regulation of financial institutions . . . must be established and maintained. All real estate, business enterprises, financial institutions, and personal funds shown to be employed in the growing, processing, transport, or sale of unlawful drugs, should be taken into military custody immediately, and confiscated in the manner of military actions in time of war. . . ."

- One of the most successful challenges to the financial lifeline of the hemisphere's drug trade occurred on July 28, 1987, when Peruvian President Alan García declared his intention to nationalize the country's mafia-dominated financial institutions. At the time, he insisted that not only was he concerned about "democratizing" the credit which heretofore has been under the control of an oligarchic handful, but that

“the government, not the drug traffickers, must run the country.” He reported that the bulk of the capital flight Peru was suffering involved “dollars from the black market, the majority of which come from the drug trade.” He announced his determination to channel capital away from speculation and back into production again.

García’s courageous initiative struck at the heart of the beast, and the response he has elicited is correspondingly rabid. The “free enterprise” forces of Project Democracy have combined with the narco-bankers and the Moscow-run Peruvian Communist Party to plot García’s overthrow. The Institute for Liberty and Democracy (ILD), the Project Democracy arm inside Peru, has revved up its campaign—domestically and internationally—against “too much state intervention,” while the financial oligarchy has denounced the July 28 bank nationalization as the “illegal act of a tyrant.” Flight capital organized by the narco-bankers and encouraged by such Project Democracy mouthpieces as Mario Vargas Llosa, has forced García into decreeing a major devaluation of Peru’s currency, the inti, which threatens to undo the progress achieved and plunge the country into economic chaos.

Peru’s Communists have simultaneously openly allied with the narco-terrorists of Tupac Amaru (MRTA) in all-out war against “the repressive state.” Peru’s vulnerable industrial infrastructure, the centerpiece of García’s economic recovery plans, has been especially targeted. The Americas Battalion, a narco-terrorist army drawn from throughout the Andean region, descended on Peru in the last months of 1987, and its attempts to capture entire portions of the national territory, not accidentally coinciding with the country’s major coca-growing centers, have led to pitched battles with the Peruvian military and police, and forced imposition of a state of siege in at least six departments.

García has persisted in his bank nationalization battle, but his initial polemics against the bankers’ role in the drug trade have unfortunately all but disappeared.

- One of 1987’s few shining examples of U.S.-Ibero-American collaboration against drug finances was “Operation Pisces,” a three-year investigation by U.S. Drug Enforcement Administration agents into drug money-laundering, with which the Panamanian government extensively cooperated. U.S. officials in March of 1987 described “Operation Pisces” as “the largest and most successful undercover investigation in federal drug law enforcement history.”

In the United States, 58 major U.S. and Colombian narcotics runners were arrested in Miami, Los Angeles, and New York, and indictments were issued against 57 more. Panama’s government seized 54 accounts in 18 banks of various nationalities operating in the offshore center including, according to press accounts, banks from Colombia, Venezuela, Panama, and Luxembourg. Further investigations by the Panama Defense Forces led to the identification of another 85 suspect accounts, also frozen.

It was the first implementation of Panama’s new banking Law 23, a law designed specifically to curb drug money-laundering through the offshore center, which had been drawn up in close cooperation with the anti-drug unit of Panama’s Defense Forces. On March 16, 1987, DEA Administrator John Lawn sent a letter to Panama’s ambassador to the U.S. praising Law No. 23 and stating “I hope this initiative your government has taken will serve as a model for other countries throughout the Americas.”

- In the early part of 1987, the Colombian government began to give signals that it was contemplating an offensive against the financial underbelly of the dope trade. On Jan. 29, President Virgilio Barco told the assembled diplomatic corps in Bogota that eliminating drug money-laundering by banks and financial institutions was a key element in the war on drugs, “While some countries continue to permit financial and banking institutions on their territory to serve as refuge for blood-stained money, the profit of crime, the battle against this scourge will not be won in Colombia.”

Colombian Attorney General Carlos Mauro Hoyos told the press Jan. 31 that laws for investigating illicit wealth were being considered: “It is time that the government began to consider economic measures for detecting funds. . . .” Days later, Colombian Cardinal Alfonso López Trujillo told an audience that the Catholic Church fully endorsed the Attorney General’s call.

And on Feb. 2, former Colombian Justice Minister Enrique Parejo González, who had survived a mafia assassin’s bullets in Budapest, Hungary just three weeks earlier, declared: “The consumer nations, through financial and banking institutions—as President Barco said it so well—are the refuge of the drug multinationals. . . . Each country should have a specialized anti-narcotics police force that can impose more severe penalties—not only against the drug traffickers, but against the financial institutions which lend themselves to crime and which until now have gone unpunished.”

The best of intentions, however, fell to the exigencies of the international creditor community, and in particular, to the blackmail of the International Monetary Fund, which has insisted that payment of the foreign debt—and not defense of national sovereignty—be the focus of economic policy on the continent. As a Jan. 18, 1987 article published in the daily *El Espectador* put it, “the Colombian economy in 1986 had an exceptional performance, thanks to improved prices for coffee and the increase in services income, apparently derived from the drug trade, after two years of adjustment monitored by the International Monetary Fund.”

Fernando Londoño Hoyos, then head of the Latin American Banking Federation (Feleban) was more explicit when he stated that if the government really wanted the drug traffickers, “they could capture them on the lines at the *ventanilla siniestra*,” the special window at the Colombian central bank through which dollars are absorbed into the nation’s foreign exchange reserves, no questions asked.