

## EIR's record: Financial oligarchy pushes drugs

*For more than two decades, EIR has exposed the role of the global financial oligarchy in forcing the drug trade on Third World nations, and in laundering the proceeds from drug sales. The following are some highlights of our past coverage.*

### **“Why the World Bank Pushes Drugs,” EIR, Sept. 18-23, 1978:**

. . . The threatened tidal wave of drugs is the first phase of a deliberate and operational plan by the World Bank, International Monetary Fund, and allied London, Amsterdam, and turncoat American financiers. They are engaged in forcing major portions of the Third World to abandon “expensive, wasteful” development hopes and become profitable, starving narcotics plantations. The minds and bodies of America’s youth are to be sacrificed to this debt-and-austerity imperative along with the lives of millions in the Third World, even as these bankers extoll the economic benefits of expanding the drug trade. . . .

### **John Holdson, the senior official for Latin America in the World Bank’s International Trade and Monetary Flows department:**

“I haven’t looked at Colombia’s drug industry, although I’ve just returned from Bolivia, and I know that the coca industry there is highly advantageous to producers. In fact, from their point of view, they simply couldn’t find a better product. Its advantages are that no elaborate technology is required, no hybrid seeds, and land and climate are perfect. . . .”

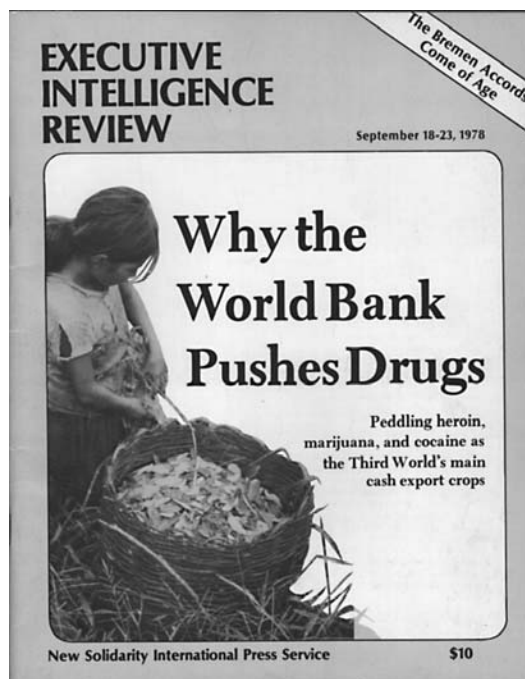
### **From an interview with a Colombian specialist at the International Monetary Fund:**

**Q:** “. . . To simply ignore the parallel economy means to let it grow to the point at which it would just swallow up and destroy the national economy.”

**A:** “But there I must absolutely disagree with you, with the last thing you said. It would not destroy the national economy. From an economic viewpoint, the marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants. . . . Well, you know, legality is a relative concept. In a few years, marijuana may become legal anyway.”

### **From a conversation with a top international banker in New York City:**

“Coffee prices are simply too unstable, always fluctuating on the world market, you know. . . . Drugs, on the other hand, provide a stable source of income at all times. With coffee prices like they are, Colombia will never get its development going, can’t make plans like the oil producers can. . . . I happen to know that the World Bank has been pressuring some



Latin American countries — not Colombia as far as I know — to find some way of statistically accounting for their contra-band flows.”

### **“‘International Monetary Fund Forces the Third World into the Drug Trade,’ ” interview with Frederick Wills, former Foreign Minister of Guyana, EIR, Nov. 29, 1983:**

**EIR:** . . . One of the things the IMF pushes is what they call ‘non-traditional exports.’ Are they aware of the fact that these actually include illicit drugs?

**Wills:** Oh yes, they are aware. But there is a certain conspiracy of silence. Nobody puts down on a government balance sheet or an IMF balance sheet “Export of Dope.” You put down “Agricultural Exports”! This is to cover up a multitude of sins. You may know that 90% of it is dope, but nobody puts down the word. The banks advance money, because the return on investment is very large; it is not ‘risk capital.’ ”

### **Bush’s Surrender to Dope, Inc.: U.S. Policy Is Destroying Colombia, EIR Special Report, April 1, 1991.**

EIR quoted leading advocates of drug legalization, including:

**The Economist,** June 1989: “It is obvious . . . that drug dealers use banks. . . . The business . . . has become part of the financial system.”

**U.S. Secretary of State George Shultz,** Oct. 7, 1989: “We’re not going to get anywhere until we can take the criminality out of the drug business. . . . We need at least to consider and examine forms of controlled legalization of drugs.”

**Milton Friedman,** in his 1983 book *Tyranny of the Status*

*Quo*: “The 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.”

**Inter-American Dialogue**, report issued April 1986: “If selective legislation could reduce the enormous profits derived from drug trafficking, it would decrease vice and corruption.

**Dennis Small, “How the Economy of Bolivia Became Adicted to Cocaine,” *EIR*, Jan. 10, 1992:**

The nations of Eurasia which have recently freed themselves from communism, are today threatened by a new, more perverse form of enslavement. They are being told by the Anglo-American establishment that if they want to solve their economic problems, they have to become part of the West’s “free” economic system, and this means adopting the austerity conditionalities of the International Monetary Fund, and the “free-market reforms” associated with Harvard University’s *enfant terrible*, Jeffrey Sachs. . . .

The promotional “sales pitch” on Jeffrey Sachs is that he proved his genius by wiping out inflation in Bolivia between 1985 and 1987—his first “success story.” Inflation there dropped from an annual rate of over 20,000% in 1985, to about 11% in 1987. . . .

But the way Sachs stopped inflation, was by destroying

what little existed of Bolivia’s productive economy, and opening the doors wide for the international drug trade to come in and fill the vacuum he had helped create, and consolidate its death grip on the economy. . . .

The number of workers employed in coca leaf growing and processing leapt from about 350,000 (or 17% of the labor force) before Sachs worked his magic, to over 700,000 after—a third of the entire labor force.

Was all this an unfortunate mistake, a miscalculation on the part of the well-intentioned Harvard wonder boy and his establishment sponsors? Absolutely not. The destruction of Bolivia’s productive economy and the skyrocketing of the drug trade were the deliberate, conscious, and intended result of Sachs’s policies.

It is best to listen to Sachs himself on this subject, as he stated it bluntly in his 1988 study, *Bolivia: 1952-1986*:

“To preserve fiscal balance, the government had to launch a brutal battle to reduce payrolls in Comibol [the state tin company] and YPF [the state oil company]. Although fiscally necessary, the results are stunning, and indeed reflect a social tragedy. Comibol has reduced its employment from about 30,000 workers in 1985, to just 7,000, as of 1987. Many of these workers are still unemployed, or only marginally employed, or *have gone to the coca-growing region to find work*. The mining towns themselves have been decimated.”

## ‘Dope, Inc.’ and the jailing of LaRouche

*In 1978, Lyndon H. LaRouche, Jr. commissioned the publication of a book by a team of EIR authors, which became known as Dope, Inc. The first edition was released in December 1978, and soon became a best-seller; updated editions were published in 1986 and 1992. The explosive impact of the book was one of the factors that led to LaRouche’s jailing from 1989 to 1994, as the result of a railroad prosecution in Federal court. The following brief excerpts from the introduction to the 1992 edition, subtitled “The Book that Drove Henry Kissinger Crazy,” give an idea of what the stakes were:*

Thirteen years ago, the first edition of *Dope, Inc.* was released. Commissioned by anti-drug American statesman Lyndon H. LaRouche, Jr., it was the first book to reveal that the illegal drug cartel was becoming the world’s biggest business; to name the causes of the war “Dope, Inc.” has waged against every nation in the world; and to reveal the

names of the “untouchable” figures who protect it, including the European monarchs, whom our Hollywood media have sold to the public as veritable deities. . . .

Its effectiveness is attested to above all by the fact that the kingpins of the U.S. branch of the drug cartel—led by Henry A. Kissinger and the Anti-Defamation League of B’nai B’rith—launched a years-long effort to silence the authors, starting with LaRouche, who was railroaded to Federal prison in late 1988 on trumped-up “conspiracy” charges, and is now fighting in the course to overturn that travesty of justice.

Lyndon LaRouche was jailed within days of George Bush’s inauguration as President in January 1989, and Bush has kept him there, for reasons that include a fear by Bush and his backers of the information contained in this book. . . .

In the first edition of *Dope, Inc.*, Lyndon LaRouche warned that the International Monetary Fund and World Bank were committed to imposing narco-economies on many nations of the developing sector as part of a conscious policy of genocide on a scale worse than Adolf Hitler. LaRouche identified the IMF-World Bank as synonymous with Dope, Inc. These words have been borne out with a vengeance. . . .