

Ivanov: Attack the Drug Trade With Glass Steagall

by Cynthia R. Rush

July 7—Speaking before the Argentine Center for International Relations (CARI) on June 27, Victor Ivanov, the head of Russia’s Drug Control Service (FDSC), and close ally of President Vladimir Putin, affirmed that the only effective way to wipe out the global narcotics trade is to mount an international drive to adopt a Glass-Steagall-type separation between commercial and investment banks, as the essential component of a new global financial architecture.

This financial reorganization, he said, would enable the international community to launch a coordinated attack on the illicit global drug-money-laundering empire “that forms an inalienable part of the current system, inevitably causing economic and financial crisis,” and to begin the process of restoring the sovereignty of nation-states through real economic development.

Although he has expressed these concepts several times over the past eight months, at different international venues—he endorsed Glass-Steagall at a Nov. 18, 2011 seminar in Washington, D.C.—in Argentina, Ivanov developed them in stronger and more specific terms than ever before. This is no coincidence. The trans-Atlantic financial system is on the verge of disintegration, and Lyndon LaRouche’s call for reinstatement of the original 1933 Glass-Steagall law, as the only way to prevent global financial chaos, is at the center of heated political and economic debate in the United States and Europe.

That’s particularly true in Britain, where leading members of the City of London’s financial and political elites, who understand that their oligarchical class won’t survive an imminent hyperinflationary blowout, have been issuing almost daily calls for “the original” Glass-Steagall.

The fact that Ivanov endorsed the Glass-Steagall principle in Argentina, a country with which LaRouche has had a long-standing relationship, is an unmistakable message of affinity with LaRouche’s policies. The Russian leader’s forceful intervention during his six-day tour also reflects the crucial role that Russia is playing globally, together with top layers of the U.S. military, to counter the British Empire’s orchestration of conflict in Syria and Iran which could trigger thermo-nuclear war against China and Russia.

Ivanov was in Argentina as part of an aggressive three-nation organizing tour that also included Peru and Brazil, to meet with anti-drug officials in those nations and attend the June 24–25 International Anti-Drug Conference in Lima, attended by government and law enforcement representatives of 45 nations. He did a similar organizing tour last February in Central America.

Just two days after Ivanov completed his tour, Anto-



FDSC/Russian Federation

Victor Ivanov, head of Russia’s Drug Control Service, speaking at a conference in Argentina, said that a Glass-Steagall-style banking separation is fundamental to ending the marriage between international finance and the global drug trade.



UN/Eskinder Debebe

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Antonio Maria Costa, former executive director of the UN Office on Drugs and Crime, spoke from the British Empire's leading thinktank, the Royal Institute of International Affairs/Chatham House, to attack the British-inspired campaign for drug legalization and the "coalition of bankers, private investors, and venture capitalists" who are planning to profit from it. Costa, who told *EIR*'s Andrew Spannaus on April 12 that he favored Glass-Steagall legislation "for everywhere in the world," has also repeatedly charged that the only thing propping up the global financial system are the flows of illegal liquidity associated with drug-money laundering.

In his Chatham House speech, Costa warned that "investors' greed . . . can be as harmful as mafias' guns. Think of the British East India Company," he said, "that, for over a century, made huge money by poisoning the Chinese with opium. That first and only case so far of drug legalization cannot and should not be repeated."

'We Must Act Together'

In his CARI speech, Ivanov zeroed in on the urgent necessity of destroying the two "planetary centers of drug production" (PCDP), which he identified as Afghanistan and South America. He also underscored that

current international anti-drug efforts have failed because they predominantly target the final product—heroin and cocaine—and the routes by which they are transported, rather than directly hitting the centers that produce the poppies and coca.

Using slides, Ivanov showed that these two PCDPs "generate drug flows internationally that cover and practically enslave the entire planet, constantly transforming the Earth's surface and undermining the stability of several transit nations which lack the strength to oppose them. . . . The drugs produced by these two centers provide an uninterrupted supply to different regions of the planet, [becoming] the fuel for extremism, terrorism, and transnational crime."

So vast is this apparatus, Ivanov said, that one country acting alone can't stop it. Repressive measures alone are ultimately ineffectual, because the drug cartels always find new routes and new regions in which to grow coca or poppies. "The Colombian cartels have been producing drugs on a gigantic scale for 20 years," he said, extending their influence to Peru, Bolivia, Argentina, Brazil, and beyond—into West Africa and then into Russia.

Ivanov showed that the growth of cocaine traffic through Argentina and Brazil is largely the result of successful repressive anti-drug programs in Mexico and Colombia, which have driven the cartels to seek new trafficking routes elsewhere. Cocaine consumption has also increased in both countries, he stated, noting that "in South America, Argentina shares first and second place with Brazil, in terms of the absolute volume of the domestic cocaine market and with regard to the frequency with which that same drug is used."

Today, he said, Russia is regrettably part of a "deplorable trio" of leading nations in consumption of Afghan heroin. He discussed in some detail Russia's proposal to wipe out poppy production in Afghanistan, while at the same time helping to rebuild that nation's economy through the development of infrastructure, particularly in the areas of energy and electrification.

NATO's leadership has not responded positively to Russia's planned attack on Afghanistan's poppy fields, Ivanov stated, but expressed the hope that "common sense" will ultimately prevail.

According to recent statistics, he reported, heroin and cocaine kill 200,000 people annually; since the beginning of the millennium, "humanity has lost" over 2 million, predominantly young people, to drugs. Some 500 kilograms of cocaine reach Russia every year from South America, Ivanov affirmed, up from 30 kg ten years ago. Military and repressive operations notwithstanding, the cocaine just keeps coming in.

'The Right To Develop'

Ivanov told his Argentine audience in dramatic tones, "Have no illusions. A global phenomenon such as drug production, by its scope demands the promotion of development of the same *worldwide* magnitude, not just nationally but for all of human civilization." It is urgent, he said, that Ibero-American nations, "as well as the rest of humanity," organize a development program in those very drug-production centers that will "guarantee true sovereignty" and the independence of states and groups of states, which have been exploited by transnational crime and "mercilessly transformed into kinds of drug farms at the service of the system of globalized crime."

The United Nations guarantees every nation's right to develop, Ivanov said. How do we achieve this?

Start by changing "the current global financial architecture." What that means in particular, Ivanov explained, is "a separation between commercial and investment banks for the defense of credit operations against speculative ones, support for stability in the exchange rates of national currencies, and allocation of long-term, targeted credits for infrastructure development. In particular, there needs to be a collective appeal from the heads of state of the countries that are suffering from the drug trade, on the necessity of introducing these measures."

This new financial architecture, Ivanov added, must replace the existing world monetary and financial system, which is the main cause for the spread of drug trafficking. Neoliberalism "is a sick system which only produces inequality and narcotization of the Earth." Look, he said, at the fact that whatever law enforcement confiscates in drug money is nothing compared to the laundered drug money flowing through the banking system. Between 2008 and 2009, the banking system

absorbed \$352 billion in narcodollars, Ivanov reported. There must be a "new industrialization, in which the primary motor and source of society's wealth are new technologies and infrastructure."

Of course, the Russian leader qualified, "this is not a question of turning all our swords into plowshares." There must be a police and security function in combating the drug trade. "But I am sure that the effectiveness of anti-drug policies would increase considerably were the organization of economies for *development* adopted as the primary method." In fact, he underscored, police and military operations will be ineffectual, and even produce an undesired result, "unless they are accompanied by projects able to *qualitatively change the social and economic situation of the population.*"

A Three-Pronged Approach

Ivanov identified a three-tiered program by which nations must reclaim this right to sovereign development:

"The first level is the creation of the infrastructure needed for organizing advanced agriculture, including the formation of stable markets, a low-interest credit system for peasants, technical and technology support for agriculture (scientific and industrial seed-farming, fertilizers, and agricultural machine-building), a system of teaching and training for agronomists and other agriculture professionals, as well as tough protectionist measures to defend peasants who are growing legal crops.

"The second level is the creation of conditions for employment diversification, in order to reduce the portion of families whose welfare directly depends on succeeding in agriculture; in particular, this means forming a national high-technology industrial sector into which the population can be drawn. An example is Malaysia, which has turned from a backward agrarian country into one of the leading high-technology countries in a few decades.

"The third level is the sovereign development of the state, endowed with financial and credit independence. Nations must have the right to sovereign development. The existing world monetary and financial system, which was built on the ruins of national economies and by sucking their resources, is the main reason for the spread of drug trafficking on a world scale."

Drug Legalization Drive

Ivanov emphasized in his CARI speech that Russia and Ibero-America can be "leaders in this new approach

toward national, regional and, definitely, global development.” During the International Anti-Drug Conference held in Lima, Ivanov signed an anti-drug cooperation agreement with Peru, met with the secretary general of the Andean Community of Nations to discuss anti-drug cooperation, and met as well with the heads of several other regional anti-drug agencies. In Brazil, he discussed ways to strengthen the Russian-Brazilian anti-drug partnership, noting several successful joint operations carried out in the past to shut down drug routes to Europe.

According to Voice of Russia radio on July 3, the FDCC will set up special training courses for their counterparts in Bolivia, Colombia, Peru, and Ecuador as per bilateral agreements with those nations. He told his CARI audience on June 27 that “we would like to set up a similar center for all of Latin America,” mentioning that Russian involvement in setting up similar training centers for law enforcement in Central America had worked very well.

Ivanov emphasized that Argentina, governed by nationalist President Cristina Fernández de Kirchner, will play a key role in the anti-drug war, “not only because it is a leader in the region,” but also because it has had to deal with “the volcanic eruptions” associated with cocaine trafficking and consumption.

In presenting the urgent need for sovereign economic development, Ivanov pointed to Argentina as an example of a nation embarked on precisely that path. This country, he said, “can provide a good example with steps such as the adoption of the Argentine law of sovereignty regarding hydrocarbons and the [March 2012] expropriation of 51% of YPF, belonging to the Spanish oil company Repsol. These are directed precisely to organizing the conditions for national development, which in itself already constitutes an important contribution to denarcotization and to decriminalization. It is development that guarantees true sovereignty.”

While the made-in-London drug decriminalization strategy has gained ground in Ibero-America in recent months, it is noteworthy that shortly before Ivanov’s arrival, President Fernández apparently withdrew support for the bill to decriminalize a “personal dose” of marijuana, causing alarm among the allies of drug kingpin George Soros and his British masters.

The bill, which has been on the agenda for two years, was expected to sail through the Congress; but when debate began in the relevant committees, the opposition from a range of experts, elected officials, social activ-

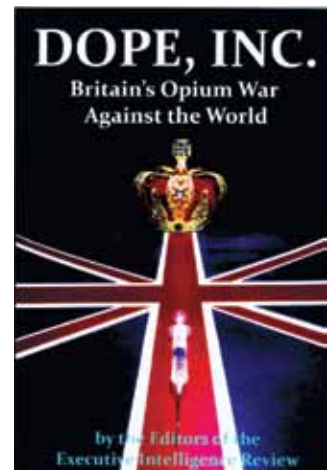
ists, and clergy was so strong, that the President gave orders to drop the debate, with no date set for resuming it. Should Fernández deep-six the bill, the Soros crowd will take a big hit. Her support for decriminalization was a major strategic blunder, exposing a significant flank for destabilization by the British enemy—London is out to crush Argentina and topple Fernández—which she has otherwise fought unflinchingly.

Nonetheless, an increasing number of Argentina’s Ibero-American neighbors are buying into the decriminalization hoax. On June 20, Uruguayan President José Mujica announced his support for a bill to legalize marijuana under government-controlled regulation and sale. He thus joined forces with Guatemalan President Otto Pérez Molina, the strong decriminalization advocate who’s spent months trying to rope his fellow Central American heads of state into supporting this campaign. On June 29, Colombia’s Constitutional Court approved the proposal put forward by President Juan Manuel Santos, an asset of Britain’s Tony Blair, and decriminalized “personal” quantities of marijuana and cocaine.

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