

trade, which is, by an order of magnitude, the biggest problem of all.

Historically, the growth of Eurodollar market deposits began with the boom in international commodities trade during the last years of post-war economic growth. The Eurodollar market mushroomed in the wake of America's Aug. 15, 1971 suspension of gold backing for the dollar, and the 1973 reversion to "floating exchange rates." These amounted to a grand deregulation of the financial system, spurring a geometric growth rate in Eurodollar market operations.

Developing nations deposited their commodity earnings with London banks, which treated these as the equivalent of compensating balances for loans to the same countries.

During the 1969-74 period, before the first big rise in oil prices, OECD countries' imports of raw materials rose by 240%, from \$25.9 billion to \$62.4 billion. In the same period, the Eurodollar market ballooned from a small pool of funds serving (initially) the Soviet Union, which did not want to hold dollar balances in the United States, and assorted dirty money, into the major source of new international lending.

As of 1974, OECD nations' raw materials imports were equal to about 17% of total Eurodollar deposits of \$362 billion. By 1984, when Eurodollar deposits (by the narrowest measure) were at \$1.8 trillion, trade in raw materials covered less than 5% of total deposits.

Back in 1973, the biggest worry among international bankers was that a collapse of commodity prices might bring down the banking system, by suddenly shrinking the Eurodollar deposit base. That was the thesis of the most-talked-about report of the year, published in the August 1973 issue of *National and Grindlay's Review* in London.

The present situation seems incomprehensible from the nearly traditional banking standpoint from which the Eurodollar market was viewed a dozen years ago. To some extent, the Eurodollar market seems to ape the old joke to the effect that the entire population of Tel Aviv lived by selling the same bottle of orange juice back and forth to each other. For example: The dollar volume of international trade has not grown since 1979. Nonetheless, according to a just-published survey by the Group of 30, a private adjunct to the International Monetary Fund, the volume of global foreign exchange trading has doubled, from \$75 billion to \$150 billion *per day*. That is exactly 23 times the total value of international trade.

However, in all such speculation, there are (by definition) as many losers as winners; everyone can't make a living in the permanent floating offshore crapgame. What has held the Eurodollar market together, rather, is what economists politely call the "underground economy," i.e., \$500 billion a year in global narcotics traffic, \$100 billion a year in illegal arms traffic, and several hundred additional billions in flight capital, tax evasion, and assorted types of swindling.

If the Eurodollar market was commodity based in 1973,

it is narcotics based today. Skeptics are referred to the United States balance of payments tables.

During the first half of 1985, according to official government numbers, almost half of America's \$120-billion-a-year balance of payments deficit was financed by parties unknown, who took precautions to ensure that their investments in the United States were hidden. Analysts at the Federal Reserve Board, the Commerce Department, and the International Monetary Fund believe that the biggest source of revenues from these parties unknown is narcotics traffic, and that the second biggest is flight capital from developing countries.

That is, in hard numbers: The United States was importing \$124 billion per year more than it was exporting, as of the first half of the year.

Parties unknown

Parties unknown were paying for \$50 billion of that, according to the official data, which show a yearly rate of that amount as "net errors and omissions." In other words, we could not account for \$50 billion a year in money coming into the United States, enabling us to pay for our trade deficit.

That is not the end of it. American companies, and various U.S. government agencies, are borrowing at a \$35 billion annual rate from the offshore entity known as the "Eurobond market," founded, in the first place, to enable parties unknown to buy income-yielding securities without being traced. This market used to be a relatively small, dirty corner of the world financial market; it is now "closely lagging" behind the U.S. government debt market, the largest market for securities in the world, according to *Crédit Suisse-First Boston*, the London firm which dominates this market.

Fifty billion dollars a year of "errors and omissions," plus \$35 billion a year of "Eurobonds," adds up to \$85 billion, or more than two-thirds of our annual external financing requirement, from sources the U.S. government cannot identify.

One economist at the Commerce Department complained, "You read in the papers every day about some big bank laundering billions of dollars and sending the money abroad to Switzerland. We know that a lot of this money is coming back in. A lot of the errors and omissions represent drug money. But we get so many things thrown at us here, that we don't have time to look into it."

Isn't this a matter of serious concern to the Federal Reserve Board, whose chairman, Paul Volcker, has been ordering the United States to placate its "foreign creditors" by throwing out half the defense budget? Says a Federal Reserve staffer, "It's very disturbing not to know from whom we are borrowing the money."

Where does the Federal Reserve believe the money is coming from? "We know that a lot of it is the underground economy, and the biggest portion of the underground economy is drugs," the staffer continued.

The international war on drugs: Where U.S. wouldn't help, *EIR* did

by Gretchen Small

Dope, Inc. opened 1985 with a challenge: The valiant efforts of individual nations to defend themselves from the drug trade, will be crushed. The drug mafia, unified in its forces, would not stop until all order is overthrown in Ibero-America.

On Jan. 28, 1985, Colombia's drug czar, Carlos Lehder Rivas, called a press conference at his "secret" jungle hide-out. The hunted fugitive, a business partner of Robert Vesco, announced that he had returned to Colombia, after being forced into hiding for seven months by the military campaign which followed the assassination of Justice Minister Rodrigo Lara Bonilla in April 1984. He had returned now, Lehder announced, to seize power, and he warned Colombians that Hitler, "the greatest warrior which humanity has ever had," was his model of government.

Lehder declared that he planned to recruit a half-million-man army to overthrow the Betancur regime, and had initiated discussions on the matter with the "M-19" terrorist movement, otherwise known as good friends of Castro's regime in Cuba. Lehder praised the M-19 as "nationalist and revolutionary," intelligent in their decision to finance their activities through the drug trade. The M-19, he added, is "the only movement which has declared itself against extradition." Under the U.S.-Colombian Extradition Treaty, several captured drug chieftains had been extradited for trial in U.S. courts, and the drug mafia was demanding it be repealed.

As 1985 came to a close, Lehder's mob struck. When Colombia's Supreme Court began its review of the constitutionality of the Extradition Treaty Nov. 6, an M-19 commando unit seized the Justice Palace, took hundreds hostage, and demanded President Betancur come personally to the ministry, to "negotiate." Betancur refused to negotiate away the state, and ordered the army to recapture the ministry. When the 36-hour battle was over, more than 100 were dead, and the Palace, including vital records, 80% destroyed; 12 Justices, one-half the Supreme Court, had been murdered by Lehder's "army."

The narcotics kings had expected a different outcome, expecting to seize the state itself as hostage. Betancur's decision to stand firm saved Colombia's institutions, and with them, the institutions of all Ibero-America. Patriots from across the Western Hemisphere rallied in support of Betancur, recognizing that under current conditions, what hap-

pened in Colombia may happen next in their nation.

The Colombian state, however, suddenly found itself under a second wave of attack, now from the liberal international press, who defended the "idealistic" M-19 against Betancur's "brutality." The liberal press charged that the government fabricated the connection between the terrorists and the drug mob, and suggested that the Colombian state could soon topple from its weakness. Colombia's Justice Minister Enrique Parejo finally accused the *Washington Post* and *New York Times* of serving as "lawyers" for the narco-terrorists!

The international forces arrayed behind the drug trade have indeed become arrogant, as the drug mafia steadily conquered more territory, more peoples in the Western Hemisphere during the last 10 years. In retrospect, however, 1985 may prove the decisive turning point in that advance, and Betancur's choice of policy on Nov. 6, the spark that lights an unstoppable rebellion against the drug empire.

In 1985, the groundwork was laid for a military alliance against "narco-terrorism" to be formed in the Americas. *EIR* played a special role in that fight, catalyzing the resistance, centralizing the intelligence, and outlining a strategy to win a War on Drugs. As 1986 begins, *EIR* is optimistic that the war begun in 1985, can be won in 1986.

Dope, Inc.

On Jan. 23, New Benjamin Franklin House Publishing Company, Inc. released a revised, Spanish-language edition of the 1978 bestseller, *Dope, Inc.* Prepared by a team of *EIR* investigators, *Dope, Inc.* had revolutionized the anti-drug fight, drawing the attention of law-enforcement officials and ordinary citizens to the centralized command-structure controlling the international narcotics trade. The book documented how "respectable" oligarchic families and financial institutions profit from, and direct, the narcotics trade as a weapon in their drive to impose a New Dark Age upon the world.

Narcotráfico, SA, expanded on that original work, based on knowledge gained over six years of fighting drugs on five continents. In six years, the estimated value of the dope trade had more than doubled worldwide, while in Ibero-America, the cocaine trade had been transformed into a mass-production machine, now dominating the area. Featured in the new

edition is the Soviet and Cuban role in the drug trade, and how they cooperate with their Swiss and Venetian banking allies. For the first time ever, the "synarchist," Nazi-Communist, cult structure through which the drug trade and terrorism are organized, was exposed.

The book was rushed to print, to be in the hands of military and law-enforcement forces before Pope John Paul II began a two-week tour of Ibero-America, on Jan. 26, in Venezuela. Gnostic cults in the area, including the Tradition, Family and Property cult, had threatened to assassinate the Pope during his tour. *Narcotráfico, SA* was shipped out across the continent on Jan. 23, a warning to the drug command-structure behind the gnostic cults that an attempted hit on the Pope might turn the people's rage against them.

Narcotráfico, SA hit like a bombshell. Within a week, the book was being read nightly on a popular radio show in Panama. The book had been reviewed in the leading papers of Lima and Mexico City, each drawing attention to charges affecting their countries. In Venezuela, where President Jaime Lusinchi had been demanding coordinated hemispheric action against the drug empire, *EIR's* book had already become the talk of Congress.

But, on Feb. 4, police raided *EIR's* Caracas office, confiscated copies of the book, and arrested *EIR* correspondents. "The four journalists were held incommunicado by the DISIP



Guatemalan army troops burn marijuana on one of the drug plantations raided as a result of an *EIR* Special Report.

following a complaint by the Cisneros family," the Caracas daily *El Mundo* reported Feb. 6.

The Cisneroses, a wealthy Cuban-Venezuelan family, had objected to the few pages in the book reporting their links to international circles involved in dope money-laundering. Unwilling to contest *EIR's* revelations in court, the Cisneroses resorted to straight thuggery. The Cisneros press empire launched a slander campaign against *EIR* founder Lyndon H. LaRouche, Jr., and threatened the government that if it did not eliminate LaRouche's influence in Venezuela, the Cisneroses would bring down "the system." On Feb. 7, *EIR's* correspondents were deported, and police burned confiscated copies of the book.

EIR charged the Cisneroses with "attempting to prevent people from learning the role of Cuba and the Soviet Union in the international narcotics trade," by silencing the book which "for the first time reveals Russian and Cuban involvement in the international black economy . . . and their partnership with drug financiers such as Robert Vesco." Perhaps the Cisneroses' personal relations with Castro's Cuba may explain their reaction, *EIR* added.

While *EIR* correspondents left on one plane, David Rockefeller arrived on another. He delivered public threats that the Lusinchi government must "open up" the economy to foreign "interests," and made sure to remind the press that his friend, Gustavo Cisneros, was a member of Chase Manhattan's International Advisory Board.

Within a month, Gustavo Cisneros's lawyers secured a judicial court-order prohibiting the circulation, or reading, of *Narcotráfico, SA* within Venezuela. Sales of "the Book" soared at the Miami airport.

Assassinations, sabotage

The attack on *EIR* in Venezuela came in the midst of an international escalation against anti-drug fighters. On Feb. 7, U.S. Attorney in Boston William Weld granted an amicable settlement to the Bank of Boston on its \$1.2 billion money-laundering "transgressions," while continuing his grand jury investigation into LaRouche-associated political organizations

is run through the White Weld company—for which Cisneros's financial advisor, George Moore, had also worked!

That same day, Feb. 7, U.S. Drug Enforcement Administration (DEA) agent Enrique Camarena was kidnapped in Guadalajara, Mexico, by the drug mob. Camarena, a Mexican national considered one of the DEA's top field agents, was reportedly onto something big. Just back from three months in Colombia, his reports back to headquarters identified a network of corruption which extended from South America, into Washington, D.C. itself, sources on both sides of the U.S.-Mexican border later reported. Rather than investigating his charges, Camarena's kidnapping, and subsequent murder, became the excuse for a near break in relations

between Mexico and the United States, and as yet unrepaired damage to U.S.-Mexican anti-drug collaboration.

A certain pack of U.S. officials, including U.S. Ambassador John Gavin and then-DEA head Francis Mullen, began charging top-down corruption of the Mexican government. The United States began "Operation Intercept," a sealing of the U.S.-Mexican border, without notifying the Mexican government. Mullen flew personally to Mexico, and continued wildly attacking the entire Mexican government.

Only a personal phone-call from President Miguel de la Madrid to President Reagan on Feb. 23, reestablished working relations between the two governments. In a press conference that day, Mexican Attorney-General Sergio García Ramírez warned that the mafia sought to "create confusion and division, which benefit, above all, the drug-runners."

The subsequent arrest, by Mexican authorities, of the drug kings who ordered Camarena's assassination, including Rafael Caro Quintero and Ernesto Fonseca, led to revelations on how some of Mexico's top tourism and banking executives run the drug trade. The links of bankers Eloy Vallina and Arcadio Valenzuela to drugs, in turn, leads straight to the top of the National Action Party (PAN), the pro-Hitler synarchist group threatening the secession of the northern region from Mexico.

On April 9, *EIR* called for an investigation into the role of Francis Mullen in the Camarena affair, citing reports in both Mexico and the United States that Mullen, already linked to a Louisiana dope ring while serving as FBI director in New Orleans in 1978, had needed Camarena's investigations silenced.

War plan introduced

The sabotage of inter-American cooperation against drugs had to be stopped. *EIR* founder Lyndon H. LaRouche drew up a 14-point warplan against drugs in the Americas. The proposed plan was first presented March 13 at a Mexico City *EIR* seminar on "Illegal Drug Traffic in the Americas," attended by diplomatic and military representatives from many American nations, including the United States.

In a speech written for the seminar, LaRouche summarized the strategic threat of narcotics. "The international drug-traffic has become an evil and powerful government in its own right. It represents today a financial, political, and military power greater than that of entire nations within the Americas. It is government which is making war against civilized nations, a government upon which we must declare war," LaRouche declared, "a war which we must win in the same spirit the United States fought for the unconditional defeat of Nazism between 1941 and 1945."

"A treaty of alliance for conduct of war" must be established between the United States and the governments of Ibero-America, LaRouche urged. Under such a treaty, joint military command can be established to prosecute the war,

centralize intelligence, and establishes technological and logistical support operations, providing the functions of a "combat war-room," within a framework which protects the national sovereignty of each treaty member state.

By declaring war, populations can be roused to join the state in winning the war, LaRouche argued, and the aura of omnipotence now enjoyed by the narcotics trade broken as citizens see bankers and the mob's public relations officers brought to trial for "aiding and abetting an enemy in time of war"—treason.

"The primary objective of the War on Drugs, is military in nature: to destroy the enemy quasi-state, the international drug-trafficking interest, by destroying or confiscating that quasi-state's economic and financial resources, by disbanding business and political associations associated with the drug-trafficking interest, by confiscating the wealth accumulated through complicity with the drug-traffickers' operations, and by detaining, as 'prisoners of war' or as traitors or spies, all persons aiding the drug-trafficking interest."

EIR circulated LaRouche's 14-point warplan to governments and military institutions throughout the hemisphere. Political parties in the United States, Peru, Mexico, Venezuela, and Colombia took the proposal for "War on Drugs" to the streets and mass media of their nations, campaigning for its adoption. LaRouche's Plan introduced the concept of *victory*, turning around a dangerous pessimism in the Americas.

The idea caught hold. In mid-May, representatives of the navies of the Americas passed a resolution calling for a coordinated continental war against drugs. Out of the Norfolk discussions came an agreement for a follow-up meeting in August, in Caracas, to work out the details of joint military action against drugs. By mid-June, U.S. Navy chief of operations, Adm. James Watkins, could announce that the U.S. Joint Chiefs of Staff had unanimously recommended that the U.S. military be engaged in fighting drug production and trafficking, providing training and aid for other nations "as a rallying point for the hemisphere."

War begun: Guatemala

In the summer, LaRouche initiated another flank in the anti-drug war, throwing *EIR*'s resources behind the efforts of patriotic Guatemalan military forces determined to hit the growing drug trade in their country.

Guatemala, half-way between South America's production sites and the vast U.S. narcotics market, provided an ideal refueling and waystation for the drug route north. A 1977 embargo imposed by the Carter administration had cut off all U.S. military aid to Guatemala for eight years, while Soviet and Cuban-backed narco-terrorism gave Dope, Inc. a significant military capability within the country itself. With presidential elections scheduled for Nov. 8, and unrest building against the deepening economic crisis, Dope, Inc. con-

sidered it an easy target for takeover.

The Guatemalan military sent a delegation to Washington, D.C. in July to request critical logistical and material aid; they were listened to by official Washington, told their problem was appreciated, and promised nothing. "Area-specialists" rejected the concept of a "narco-terrorist" alliance in Guatemala.

EIR took action. In late July, *EIR* released a 33-minute film documentary on Guatemala's battle against the narco-terrorists, *Soviet Unconventional Warfare in Ibero-America, The Case of Guatemala*. Interviewed in the film were Guatemalan Army colonels, retired U.S. military officers, and *EIR*'s counter-intelligence specialists, who described the narco-terrorist threat, demonstrated in the footage of atrocities perpetrated by the terrorists.

Also interviewed in the film, LaRouche situated the importance of U.S. assistance to Guatemala's battle. The United States must "go from the word 'war' to the practice of what the word 'war' means," LaRouche stressed. "If we assisted one country, such as Guatemala, to wipe out the major part of the drug-trafficking apparatus, that is, the parts we could hit with military means . . . we would set a precedent where these countries and their governments would, for the first time, begin to believe that our deeds will match our words."

On Aug. 15, *EIR* issued a 109-page *Special Report* under the same title as the documentary. The report, identifying the enemy and his critical chokepoints, was written as a combat manual for a War on Drugs. On Sept. 8, *EIR*'s documentary was broadcast, in Spanish, simultaneously on three government-run national TV channels, and repeated again Sept. 15.

The week before the national elections, war was engaged. On Oct. 28, a battalion of Guatemalan Army troops, guided by Treasury Police, began a surprise, 72-hour search and destroy mission against marijuana plantations hided in the jungle of El Petén, near the border with Belize. In the operation, codenamed Guatusa I (after a rodent which lives in El Petén's jungles, known for its ability to maneuver through the nearly impassable terrain), 40 plantations, an estimated \$50 million in drugs, and hard evidence of the role of the Soviet-backed guerrillas in protecting and managing drug production were seized.

EIR correspondents Jeffrey Steinberg and Herbert Quinde were among the group of international and local journalists invited to witness the conclusion of Operation Guatusa, and inspect the captured evidence. "The revenues of the marijuana plantations have provided the terrorists with modern communication and transportation, and with sophisticated arms," Col. Marco Antonio Castellanos, public affairs director for the Guatemalan Armed Forces, told the journalists. "Operation Guatusa I was launched to crack the logistical base of the terrorists before the correlation of forces shifts increasingly to the side of the Soviet-sponsored narco-terrorists." The commander of the mission added, "This is just the

beginning. If we can muster the equipment, there will be two, three, four, many 'Guatusas.'"

The difficulties encountered by the Guatemalan military in its seemingly simple mission exemplify the logistical problems encountered in every Ibero-American anti-drug action. Lack of materiel forced the military to rent local trucks to transport troops, and drive hours to report findings, for lack of functioning radio equipment. Machetes and hand-saws were employed to locate plantations, which U.S. satellite infra-red photography systems identify precisely—if made available.

The South American front: enter Peru

On July 28, Alan García was inaugurated President of Peru, and a new flank in the war on drugs began. The reverberations of García's multi-front war are already shaking the highest level of Dope, Inc. internationally.

"Neither Peru nor any other country can permit itself to be identified as an exporter of poison," García declared in his inaugural speech, proposing that Colombia and Peru strengthen their cooperation, "in order to totally eradicate drug-trafficking." Action began the next day, and escalated rapidly.

On July 29, police raided Lima's money-changing houses, arresting 200. On Aug. 1, the first police official was sacked, caught running the dirty money laundromats. On Aug. 13, García requested, and received, emergency powers from Congress to reorganize the nation's corrupt police forces, under which powers over 400 corrupt police officials have been purged thus far.

That same day, a joint strike-force of Colombian and Peruvian military and police, using U.S.-supplied aerial photography, seized the largest cocaine refining complex ever uncovered in a pre-dawn raid deep inside Peru's jungle near the border with Brazil and Colombia. The modern equipment captured, and sheer scale of operation uncovered in this opening strike of "Operation Condor," revolutionized estimates of cocaine operations in South America. "Callaru," meaning Coca City, was a joint operation of Colombian and Peruvian mobsters, including Carlos Lehder, which provided close to one-third of the cocaine coming out of Peru.

Interior Ministry officials announced that an estimated 250 laboratories and airstrips lay in the northern Peruvian jungle. In subsequent raids, uniforms and literature of both Colombia's M-19 and the Peruvian terrorist group, Shining Path, were discovered cached in the drug labs. Operation Condor has continued throughout 1985.

But while Colombian and Peruvian police and military chase fleeing drug-traffickers into the jungle, neighboring Brazil has yet to fire a shot. Just as Colombia's Lehder survived, to return again, by crossing into the safety provided by Peru's last government, drug operations are now simply being relocated to the immense jungles of Brazil.

Narcotráfico, SA was published by the National Anti-Drug Coalition of Peru, as part of its campaign of support of the García government. Chapters of the book were serialized in the daily *El Popular*, and the walls of Lima were covered by the ADC poster advertising the book, which announced, "Learn Who Is the Godfather."

As García proceeded, the interconnected world of drugs, money-laundering, and official corruption which had dominated the previous regime of President Francisco Belaúnde Terry began unraveling. By mid-August, top officials of the Belaúnde government were running scared. Some officials, such as Luis Perkovich, prime minister in the years of the Belaúnde government, sought safe haven in Miami. Others hope to survive through intimidation.

Manuel Ulloa, the *éminence grise* of the Belaúnde regime commonly known as the "Man from the Bahamas," feared the title "the Godfather" referred to him. In late August, a brief article appeared in Ulloa's daily paper, *Expreso*, headlined, "Suit for \$100 million Will Be Lodged by Ulloa Elias Against Yankee Magazine." *Expreso* reported that Ulloa "will personally initiate" a suit against *EIR* in the United States, and ADC head Luis Vásquez in Lima, for alleged "defamation" contained in both *Narcotráfico, SA* and an Aug. 16 *EIR* article entitled, "To Aid Peru's War on Drugs: Open the Ulloa File!" Ulloa objected to *EIR*'s charge that the economic policies implemented under Ulloa's term as economics and prime minister had fostered the development of the drug economy.

Ulloa initiated a suit against the ADC in September, but has yet to sue *EIR* in the United States. On Oct. 14, a Peruvian court ruled that ADC's contention that Ulloa's economic policies had fostered the drug trade could not be considered slanderous.

Many in addition to Ulloa are trembling now. Ulloa's policies were approved by the international banking community and its enforcement arm, the International Monetary Fund. Ulloa's government was held up internationally as a model of "free enterprise." Pedro Pablo Kuczynski, Ulloa's buddy who served as energy minister for Belaúnde, now sits as co-chairman of First Boston Corp. Those policies today stand indicted, in a Peruvian court of law, as fostering narcotics.

U.S. turning point?

"Within the first 50 days of my administration, we have dealt the most successful blows against international vice," stated García in an address to the United Nations General Assembly on Sept. 23, estimating that the supply of drugs to the United States "will suffer a yearly reduction of approximately 80 tons, valued at \$5,600 million. We could therefore ask the American administration, if we have done that in 50 days, . . . when will it legally and in a Christian fashion, fight to eradicate consumption?"

García's was not the only voice demanding the United States take more decisive action against drugs, both inside its own borders and in aiding the war in Ibero-America. By mid-1985, it had become clear that the commitment of some sectors of the Reagan administration to prosecute a war on drugs, did not have the back-up of the administration as a whole.

"The United States, this great giant of democracy, is still asleep regarding a geopolitical strategy on drugs for the continent," the head of Venezuela's National Commission Against Drug Abuse, Dr. Bayardo Ramírez Monagas, stated bluntly during the First Inter-American Naval Conference on Drugs, Aug. 26-30 in Caracas, Venezuela. The nature of the enemy is not understood, Ramírez argued. "When we speak of 'scourge,' we are speaking from a psychological position of defeat. . . . The drug trade is not a scourge, it is activated and organized by the giant multinational and transnational organizations of crime, and it must be fought with organization."

Narcotráfico, SA may have been banned in Venezuela, but its ideas were not stopped in Venezuela. Ramírez charged that drugs served today, as during the days of the British Opium Wars against China, "as a neo-colonial element of domination. . . going to seize the sovereignty and the economies of the people." The United States must "unite with Latin America" to defeat the drug trade.

Venezuelan Justice Minister Manzo González, in his keynote speech to the conference, evoked the image of the Allied collaboration in World War II as the model for the full-scale mobilization required today. The technology exists to eradicate the narcotics industry, if the U.S. collaborates, Manzo argued. "All that is lacking is decision, will, the firm, sincere, and loyal will to coordinate efforts."

The Naval Conference itself, organized on the initiative of U.S. Admiral Watkins, was an historic achievement. For the first time, representatives of a branch of the armed forces, in this case the navies, met for the sole task of discussing coordination of the War on Drugs. Low-profile collaboration has continued after the conference on a bilateral basis between several nations.

Clearly, a faction of the U.S. government is willing to join the war. Yet, as shown most starkly in Guatemala and Peru, when the battles are fought, U.S. aid is missing. In the case of Peru, the Reagan administration has, in fact, initiated outright diplomatic and economic warfare against the García government, because of its anti-IMF policy on foreign debt.

The dichotomy between commitment and action has led officials from many nations to criticize the "meager" U.S. commitment to the war on drugs, but it was Venezuela's Ramírez who voiced what is on the minds of Ibero-American statesmen in his address to the Naval Conference:

"What do they want? For us to pay the foreign debt with the drug trade?"