
From Our Archives

Dope, Inc.'s 'bankers above suspicion'

by Jeffrey Steinberg

In the July 26, 1996 issue ("Britain's Dope, Inc. Grows to a \$521 Billion Business"), *EIR* provided a road map of the worldwide trade in illegal narcotics, showing that, in 1995 alone, Dope, Inc. generated \$521 billion in illicit business. Including the dope trade, the overall black market—including illegal gun trafficking, commodity contraband, illegal gambling and prostitution, flight capital, and tax evasion—generated nearly \$1.1 trillion in revenues in that year alone.

In a survey included in that issue of *EIR*, economics writer

Richard Freeman provided a road map of the money-laundering infrastructure that serves this vast and growing black economy of dope, weapons, and strategic raw materials.

Freeman revealed: "The actual command and control over world money laundering today resides in Great Britain. A large chunk of today's offshore laundering centers are officially governed by Britain's Queen Elizabeth II, as their head of state and sovereign. Officially, the Queen's Privy Council is the ultimate authority in a legal system that permits bank secrecy and minimal regulation, and is governed by British law. Or else, these countries are ruled by allied Dutch-Swiss networks. It is not an exaggeration to say that nothing significant occurs in these money-laundering dives without the Privy Council's approval. If the Privy Council wanted to shut down money laundering, it could do so; it set it up in the first place. The same holds for the Queen herself.

"In addition, while some money laundering goes through small, obscure banks, most of it goes through the extended British Commonwealth network of 40 commercial banks and 20 investment banks. The drug money flow is so large, that no smaller entities could handle it. . . . This requires financial

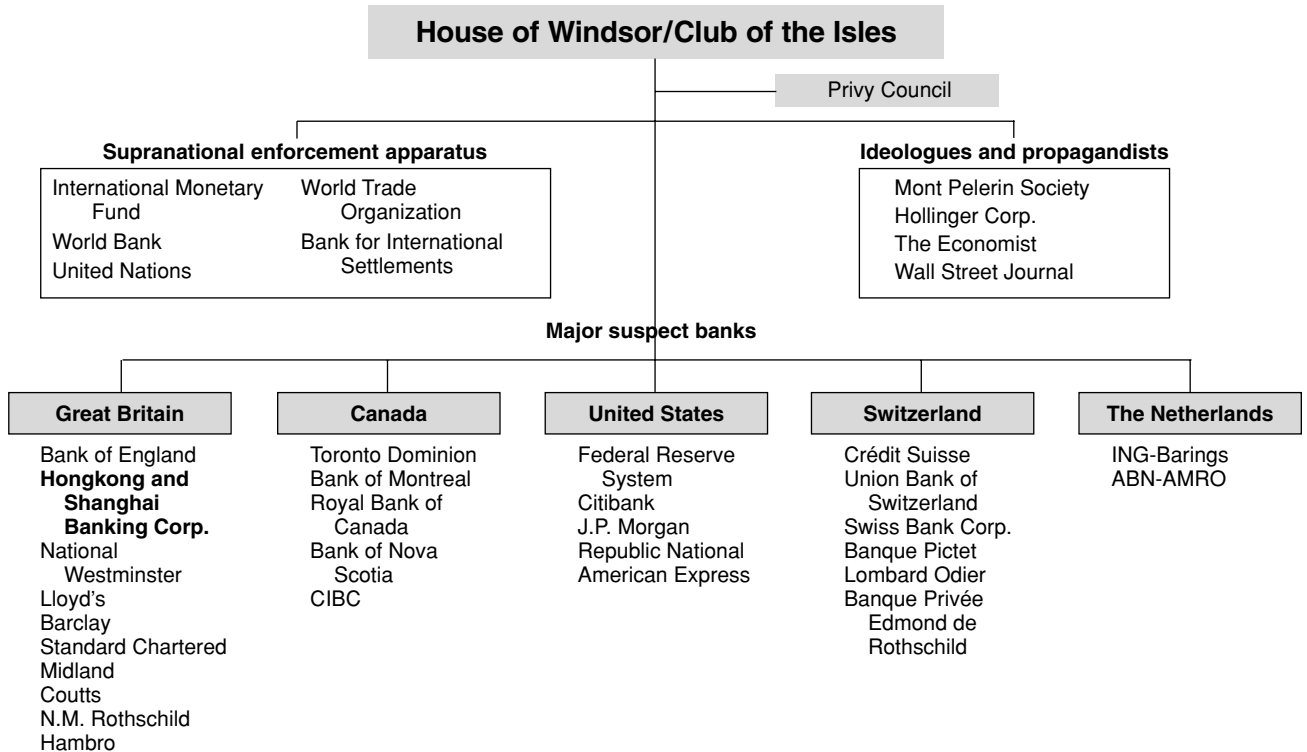
MAP 1

The Caribbean: the Anglo-Dutch monarchy's money-laundering lake



FIGURE 2

The Dope, Inc. money-laundering apparatus



sophistication and tremendous political pull.”

Freeman “named the names.” “The list of major banks to be investigated for possible drug- and hot-money laundering includes: The British clearing banks Standard and Chartered, Lloyds, and Barclay; private British banks such as Coutts and Rothschilds; the Canadian clearing banks, led by Scotia Bank (formerly Bank of Nova Scotia), Bank of Montreal, Toronto Dominion, and the Canadian Imperial Bank of Commerce; the big three Swiss banks, Crédit Suisse, Swiss Bank Corp., and Union Bank of Switzerland; some of the exclusive Swiss private banks, such as Banque Pictet and Lombard Odier; the Dutch banks ING-Baring and ABN-Amro; the British-controlled American banks Citibank, Morgan, and Republic National Bank.

“Then there is the special institution, the linchpin of the drug money-laundering, the \$350 billion-in-assets Hongkong and Shanghai Banking Corp. The HongShang, as it is called, was formed in the middle of the last century, specifically to finance Britain’s opium trade with China. The HongShang is still the primary bank of issue for the British Crown Colony and money-laundering center of Hong Kong [now reverted to Chinese sovereign control—ed.]. But the HongShang also spans the globe, owning the powerful Midlands Bank in England; the Bank of the Middle East; Marine Midland bank in the United States; Mocatta Metals (through Midlands bank), one of the five banks that sets the world gold fix. It is active in the Caribbean. With its headquarters moved to London, it

still possesses markers of its past: On its board are the Swire, Keswick, and other old-line families, which ran the China opium trade during the last century.”

The two charts, taken from the 1996 *EIR* study, illustrate that the hub of world money laundering is the British/Dutch-dominated Caribbean region, where, for example, the Cayman Islands is the domicile for \$480 billion in hot money at any given moment; the Bahamas shelter \$100 billion, the British Virgin Islands holds \$90 billion, Curaçao \$60 billion, and the Turks and Caicos Islands \$30 billion.

The tightly knit command structure of international lending and regulatory institutions, banks, and free market think-tanks and propaganda shops underscore the fact that the worldwide Dope, Inc. money-laundering machine is run, top down, with the approval and active participation of the British Crown and the City of London financial oligarchy.

As Freeman observed, “To succeed in the fight against money laundering, start at the top. Go after the John Reeds [Chairman of Citicorp], the Alan Greenspan [Federal Reserve chairman], and the controlling layers of the Anglo-Dutch-Swiss financier oligarchy and the British Commonwealth political establishment, who run drug- and criminal-money laundering as a worldwide integrated enterprise and one of the most profitable businesses on earth. . . . Put some of these top bankers and the British financier oligarchy in jail for 30 years. Watch the drug-money-laundering trade start to shrivel; watch the drug-trafficking trade collapse.”