

**King(pin)s of the Drug World:
How Bloodshed, Business, Corruption and Washington's War on Drugs made Mexico's
Cartels All-Powerful**

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Abstract

Drug violence has skyrocketed even as business has never been better for Mexican cartels. Their unprecedented power, success and ruthlessness are fueled by increased anti-narcotics efforts in Colombia, which brought that country's major drug syndicates to their knees, and major international law enforcement efforts to seal-off traditional smuggling routes through the Caribbean, which made it harder to move South American cocaine to the U.S. without crossing Mexican territory. But the rise of Mexico's drug gangs is not just about their capitalizing on the misfortune of similar illicit organizations elsewhere. While continuing to dominate their traditional markets of heroin and marijuana to meet U.S. demand, Mexican groups have not only filled the smuggling power vacuum in South America, but also have proved extremely adept at exploiting new products, including methamphetamine and other synthetic drugs, while organizing their cartels according to effective management business techniques – complete with leaders who delegate responsibility and approach their jobs like top-flight CEOs. But so much new power has come at a price, and most-recently it has been shocking levels of killings and mayhem touching even the traditionally most-sheltered corners of Mexico. The killings are in part the result of the change from a single-party government that ruled Mexico for 71 years to new presidential administrations that have vowed to crackdown on drug smuggling, smashing decades of false stability built on corruption at every level of the old-style government. The wave of violence also reflects often-overlooked corruption among U.S. border officials and the fact that American policymakers have done little to stop the flow of illegal U.S. guns to Mexico. Instead of tackling those more-serious structural problems, Washington pushed crackdown after crackdown on Mexican smugglers and producers, forcing drug gangs south-of-the-border to arm themselves like never before. Soon their firepower became such that they could meet any and all anti-narcotic offensives with an unprecedented level of fury, so much so that it began to threaten the very political and social stability of much of Mexico.

Introduction

It was after midnight when the cartel hit man burst into a seedy nightclub in the western Mexican colonial city of Uruapan and menaced those grooving on the scuffed wooden dance floor with an automatic rifle. A ski-mask covered his face and he lugged a bulky bag stained a sickening shade of reddish-brown over his shoulder. “Those people killed are the ones who must die!” he shrieked, throwing open his bag and shaking out five human heads. Word of the stomach-churning scene in the Fall of 2006 spread around the world in no time, but many media outlets simply added five more victims to their running counts of the thousands of Mexicans slain by drug violence so far that year. Accounts of the turf war between rival cocaine, opium, and marijuana drug smugglers were not new, especially in the picturesque state of Michoacan, which includes Uruapan – even if five severed heads flung on the floor of a nightclub did not happen every day. The episode was perhaps the most-horrific example of the astounding level of violence generated by drug gangs throughout the country in recent years, but while it’s hard to match that occurrence for sheer gruesomeness, scores of less-dramatic killings have ensured the death toll from warring cartels has only continued to rise since then.

Drug violence is not a new phenomenon in Mexico, but why has it emerged with so much fury recently, even as the country’s smugglers have gotten more powerful? How did Mexican cartels keep expanding their business and market share, eventually making their country the top source of illegal drugs in the United States in just the last 20 years? ¹ Answering these questions means analyzing Mexico’s history and examining its place in the shadow of the hegemonic United States throughout its entire existence as an independent nation. We have to look at the origins of drug trafficking in Mexico, scrutinize those factors that came to characterize the narcotics business as it developed in certain regions of the country, and take a close look at the conditions that allowed it to evolve as it did. Furthermore, we must pay special attention to the historical relationship between drug organizations and Mexican society, and take into account how the country’s social, economic and cultural makeup helped fuel the rise of drug trafficking.

The first part of the explanation lies with Mexico’s superior production capabilities, its existing organized criminal syndicates and distribution structures and, of course, its simple geography. It was President Porfirio Diaz, who ruled the country twice, between 1877 and 1880, and then

¹ International Narcotics Control Strategy Report 2009. Vol. I. Drug and Chemical Control, Mexico Chapter.

again, this time as a dictator, from 1884 through 1911, who stated the obvious when he famously quipped: “Poor Mexico, so far from God and so close to the United States.”

It is tempting to argue that because both nations share one of the largest borders in the world, Mexico is a natural source for drugs being smuggled to the United States, a country that always ranks among top global narcotics consumers.² Especially given the fact that Mexico has been a longtime producer of the most-popular drugs, including marijuana and heroin, and has powerful and ruthless gangs that have decades of experience growing, smuggling and selling those and other lucrative products in the U.S. market. But why then, has not Mexico been the top U.S. supplier of illegal drugs since the early 1900s? If close proximity to the U.S. and means of production, technical experience and logistical infrastructure were all it took, why did Mexico and its cartels not become Latin America’s dominant source for drugs long ago? Certainly, Washington made Mexico a key target of a diplomatic offensive against illegal drugs in the early 1900s, and from then on has constantly pressed its neighbor to implement interdiction and eradication programs, which have even been reinforced in recent years with the massive deployment of Mexican soldiers. But why have these crackdowns and cross-border alliances between Mexican and U.S. authorities not been effective in stopping or even slowing down smuggling activity in Mexico? Worse still, why has drug violence, which for decades was largely limited to a few, select pockets of the country – namely the Mexican side of its border with the U.S., or in remote, farming villages in rural production areas – and never really reached catastrophic levels, now become both incredibly widespread and apparently out of control?

That brings us to the other key factor, the power structure that lies at the country’s core and which actually boosted the already thriving development of drug activity in Mexico: the alliance between political authority and the embracing of an economic model that sparked heterogeneous development while also reinforcing centuries of marginalization of indigenous peoples. These conditions created staggering amounts of corruption and inequality and, thus created fertile breeding grounds for a new and powerful drug culture. The Institutional Revolutionary Party, known by its Spanish initials PRI, which took power in 1929 and would not relinquish it for 71 years, institutionalized certain ways of doing things and created authority patterns and corruption structures that not only allowed, but also fostered the emergence,

² According to the World Drug Report 2009, compiled by the United Nations Office on Drugs and Crime, the U.S. is the largest cocaine market and one of the biggest for marijuana, while Europe and Asia are the largest markets for opiates. P.15

expansion and consolidation of drug power and organizations in Mexico. The PRI built an all-powerful bureaucracy and instituted a federated system that facilitated the coexistence of several police forces overlapping in their tasks, ensuring that no one was held accountable for fighting crime, especially crime committed by a burgeoning narcotics trade.³ Moreover, widespread corruption and the lack of a strong federal police presence, which could have helped fill the power void but instead fell short in the war on drugs, prompted authorities to look to an institution long considered reliable, the military, which in the end proved to be as vulnerable to corruption as all other institutions of power. According to Thoumi, (2009: 106-107) a coca-cocaine and poppy-heroin export industry requires “complex illegal organizations that can grow only in countries where there are groups whose social or informal behavior rules and norms differ substantially from the formal rules and norms formulated by the government, which prohibit drug production and trafficking.” Also, individuals participating in illegal activities need to have a mechanism allowing them to disregard the negative effect of their actions on others, either via the emergence of an amoral, individualistic subculture in which members become predisposed toward negative social capital, or where people simply justify their actions by convincing themselves that the group they are harming is their enemy or a means to achieving a larger goal, as Thoumi describes.

This combination of factors remained strong until the mid-1980s, when it began to crumble following changes in Mexico and the U.S. On one hand, the Reagan administration enforced a zero tolerance policy against drugs that helped trigger the downfall of the Colombian cartels during the subsequent decade. On the other, the beginning of the PRI’s loss of political power in the 1980s culminated with Mexico’s passage from a single-party political regime to a fully functioning democracy in 2000. The cartels, from their most-powerful kingpins to low-ranking producers, smugglers and foot-soldiers, have had to react to their country’s historic political and economic realignment, a redefinition of priorities and specific international and local legislation, as well as the rise of a novel way of doing business, spurred on by new technology, more-efficient division of labor and modern techniques of outsourcing and diversification.

³ At the municipal level alone, Mexico has 2,022 police forces, according to data presented to the country’s Congress by the Public Security Minister in late September 2009. That already large tally does not include federal and state police forces, or other police corps assigned to institutions such as the judiciary or banking system.

It Started in Sinaloa

Sinaloa, a hot and dry state in western Mexico, features golden beaches as well as the chilly mountains of the Sierra Madre Occidental. Home to such famous resorts as Mazatlan, the region has become ground zero for the illegal drug business. By the end of the 19th century, it was a rural state where it was possible to find “adormidera blanca,” or opium poppy, and “canamo indio,” cannabis or marijuana. (Ortega and Lopez Manon 1987: 143) While marijuana grew in the wild and was native to Sinaloa, opium poppy was introduced by arriving Chinese immigrants. Both were classified as a fiber crop, or form of oilseed not for medicinal use. Nor had either been linked to any cultural or ritual use for indigenous peoples in Mexico, unlike such drugs as the hallucinogenic mushroom Peyote. Both also grew well in the area, so much so that some authors maintain marijuana was produced and exported to the United States beginning in the late 1800s. Opium began developing later, in the first decades of the 20th century, increasing in popularity as more Chinese laborers arrived in Sinaloa and the neighboring state of Sonora to work in mines and railroad construction. (Toro 1995: 7)

As in the United States, prohibitions of narcotics at the municipal and state level started early in Mexico. In 1878, only three years after the city of San Francisco banned the drug’s smoking in popular opium dens, approving the first such law prohibiting its use in America, the governor of Mexico City, Luis Curiel, enacted a rule applying to pharmacy owners, drug stores and chemical factories and restricting the sale of morphine and opium to those only with medical prescriptions for it. (Astorga 2005: 19)

Although opium was cataloged among the plants in northwestern Mexico, the Mexican Pharmaceutical Society’s magazine noted that it had been originally imported from the U.S., Europe and Asia, citing as a key reason for reaching that conclusion, “the difficulties in obtaining pure opium and that of constant quality” in the Mexican countryside. “In Mexico, there were some attempts to plant imported poppy seeds, some opium was extracted that way and small specimens have been preserved,” the society wrote. (Astorga 2005: 22) Even if it is not native to Mexico, the crop took to the country well. External trade figures compiled by the Porfirio Diaz government reveal that between 1888 and 1911, Mexican imports grew from nearly 800 kilograms of opium “in all its variations and extracts” in 1888-89 to 12.9 tons for fiscal year 1910-11. The statistics show that from 1901 to 1911, the price of those imports was rising consistently, as was opium’s importance to the import market as a whole, rising from 0.0

percent in 1900-01 to 0.3 percent in 1910-11. ⁴ Beginning in the 19th century and during the first two decades of the 20th, opium was consumed in Mexico as a medicine, contained in laudanum and morphine. There also were, however, numerous reports in the Mexican press of opium dens in Mazatlan, as well as Culiacan, a city further inland that is Sinaloa's state capital. Press of the era also detailed suicides or death by overdose of morphine. Meanwhile, by the early 1900s, heroin was offered by drug laboratories as a component for cough syrup, while a diluted extract of peyote was recommended as a heart tonic. By the early 1920s, coca tonics were advertised in Mexican newspapers as remedies to fight anemia, rickets and paralysis and even marketed as rejuvenating. ⁵

But the first wave of prohibitions against the use and trade of narcotics in the United States eventually succeeded in changing Mexico's outlook, turning it into more of a drug exporting nation than one focused on consuming them. Drug smuggling suddenly became a lucrative Mexican activity after Washington enacted the 1909 Opium Exclusion Act, outlawing the importation of opium for smoking. The U.S. Harrison Narcotic Law Act of 1914 then restricted the sale of opium and cocaine to prescription use only while establishing a register of everyone involved in importing, producing and manufacturing them. A further effort to control drugs in America came in 1922, when the Narcotic Drug Import and Export Act banned the import of raw opium and coca leaves. New U.S. controls, "effectively created a profitable market for narcotics in the United States" and along with the prohibition of alcohol in the 1920s "provided an incentive for Mexicans (and others) to ship drugs into the U.S. and take advantage of the high prices," as Michael S. Werner (2001) states in "Concise Encyclopedia of Mexico."

In the early 20th century, Mexico lacked a federal law controlling narcotics, so drug production and smuggling took off there. As Warner notes:

Mexican exports of opium and heroin for U.S. consumption flourished in the 1910s and 1920s. Something similar happened with Mexican exports of marijuana, as more and more states in the United States regulated its use, production and sale. The cannabis plant, which had been produced legally in Mexico and exported since the late nineteenth century, if not earlier, mostly for industrial and medicinal purposes, quickly reached the U.S. market in larger

⁴ Comercio Exterior de Mexico 1877-1911. Estadísticas Economicas del Porfiriato. 1960. El Colegio de Mexico, Mexico. P.214

⁵ *El Democrata Sinaloense*, February 10, 1922. In Astorga 2005: 25.

quantities ... Thus, a significant contraband along the U.S.-Mexican border emerged after 1910, basically prompted by prohibition in the United States. (Werner 2001:173)

Mexican exports of opium and marijuana to the U.S. understandably soared, but Werner also notes that the country's imports increased as well, "since its territory offered an attractive transit point for opium smugglers on their way to the United States."

Stories about the discovery of large opium poppy fields in Sinaloa and pioneer traffickers captured by police started appearing frequently in local newspapers, while opium dens began spreading from Sinaloa and Sonora to many other areas, including the industrial hub of Guadalajara and Mexico City. Because it shared a 2,000-mile border with the U.S. and already sported thriving marijuana and poppy production industries, Mexico enjoyed a comparative advantage against other countries looking to tap into the illegal U.S. narcotics market. The country came to be seen as the logical route to reach the American market, and the smugglers weren't the only ones taking notice. The White House targeted Mexico early as it worked to promote international drug smuggling restrictions following the Harrison Act, viewing its southern neighbor both as strategically important, but also a convenient, would-be ally in its fledgling fight against drugs.

Just two years later, Mexican President Venustiano Carranza prohibited opium importation. Most of the groups smuggling opium into the U.S. used two primary routes, either through Mexicali or through Tijuana, both cities in Baja California state. Opium not grown in Mexico generally arrived by ship from Asia, landing at such ports as Acapulco, Mazatlan and Ensenada. From there, it was transported overland to Baja California. While they applied to all of Mexico, the new laws appeared to specifically target a single man, Cornel Esteban Cantu who headed military forces in Baja California and who, according to U.S. Customs officials, controlled the drug trade in the region, conspiring with American citizens to move copious amounts of opium into the United States. (Astorga 2003a) Cantu had built a kind of personal fiefdom between 1914 and 1920, levying and collecting his own taxes and refusing to allow the use of Mexican pesos, accepting only American dollars in his state. He also declared Baja California a buffer zone during the U.S. occupation of Veracruz in 1914 and again during General John Pershing's expedition to Chihuahua to capture Mexican rebel Pancho Villa, a manhunt that came after Villa's attack on the U.S. border outpost of Columbus, New Mexico, in March 1916. To further

ensure Cantu and other smugglers were put out of business, Carranza banned all facets of the opium trade specifically in Baja California in 1917.

In addition to fears about Cantu, other factors likely helped prompt Carranza to take decisive steps against opium smuggling, including not infrequent raids by U.S. authorities, who thought nothing of crossing into Mexican territory in pursuit of drug offenders in cases where other Americans were involved. (Toro 1995: 9) At a time when the Mexican Revolution was raging, and with memories of the U.S.-Mexican war still relatively fresh, a move to solidify Mexican sovereignty – especially along the nation's sprawling border with the powerful United States – seemed prudent.

By 1920, Mexico's government banned the cultivation and sale of marijuana, and three years later, President Alvaro Obregon issued a decree barring the importation of opium, cocaine and heroin and imposing harsher punishment for those found to be growing or manufacturing them – even though coca, the chief ingredient in cocaine, was not grown in Mexico and was still not a major problem around the world. Those measures helped Mexico achieve de-facto adoption of the 1912 Hague Convention restricting opium and cocaine, although the country did not officially subscribe to that measure until 1925. (Walker 1981: 49) In 1926, Mexico's Health Code added opium to the ban on marijuana cultivation and trade, and the following year, President Plutarco Elias Calles signed another decree barring the export of both drugs. The series of laws and measures attempting to regulate drugs makes it clear Mexico was facing a growing problem of both narcotics production and smuggling, as well as feeling the heat of additional pressure to improve its anti-narcotics effort being applied by its neighbor to the north, where Mexican immigrants had started being identified as marijuana smugglers. (Marez 2004: 107) Still, the events of the 1920s helped form a pattern of production and trafficking of illegal drugs in Mexico that has continued to this day.

The World War II Effect

Despite the new laws, production and export of opium and marijuana flourished in Mexico, though the country was nowhere close to becoming the top U.S. supplier of opium in the 1920s and 1930s. Mexican producers claimed barely 15 percent of the American market in those decades, with syndicates in Italy, France, and throughout Asia and the Middle East vying for control of the rest of the market. (Ruiz Cabanas 1989: 53) Still, some medium-sized Mexican

traffickers gained enough notoriety to be named in the press, including Enrique Fernandez Puerta, who built a small empire in the border city of Ciudad Juarez based on the smuggling of alcohol to the U.S. during prohibition. Such was Puerta's fame that he became known as the "Al Capone of Juarez," and his power and influence grew after local authorities proved willing to shelter his activities and associates. Puerta had close ties to the governor of Chihuahua state, which includes Juarez, and used a portion of his considerable profits to donate to charities and build schools. Other names of drug leaders given by newspapers of the day were the former anti-narcotics police chief Arturo Vaca. The press also reported on sizeable drug seizures, but made it exceedingly clear that police were far from honest. Newspaper accounts as early as 1937 and the following year describe authorities making off with some of the drug shipments they successfully captured.⁶ Drug production and trafficking was by then thriving in much of the Mexican northwest, especially the states of Sinaloa, Durango, Chihuahua and Baja California, the latter acting as the bridge that connected producers with consumers.

World War II changed everything, however. Fighting disrupted traditional heroin routes from Asia and through Europe, and countries at war needed unprecedented amounts of narcotics such as morphine to treat wounded soldiers. Mexico wasted little time filling the drug void – this time with Washington's rather ironic blessing. (Toro 1995: 11) As Celia Toro asserts, "the United States did not hesitate to ask Mexican authorities to allow for legal production of marijuana and opium poppy plants in 1940. Indian hemp (marijuana) was required to manufacture ropes, and morphine was needed for medical purposes." By 1943, opium had become Sinaloa's largest cash crop, (Craig 1989: 72) and poppy fields appeared in other states in the Sierra Madre Mountains, such as Michoacan. Marijuana crops emerged in southern states like Puebla, Morelos, Guerrero, San Luis Potosi, Tlaxcala and even Mexico City. Press reports from that era also detailed vast marijuana fields in the northern states of Nuevo Leon, Coahuila and Tamaulipas, all on the border with the U.S., and in areas like Veracruz, on the Gulf of Mexico, which would later become a major route from cocaine traveling from Colombia to the U.S.

Before the war caused policy shifts, Mexican authorities had begun operations to eradicate drug

⁶ *El Universal Grafico*, a series of articles on drug trafficking between November 1937 and January 1938. In Astorga 2005: 40-43.

crops as early as the 1930s.⁷ These campaigns were led by the Public Health Department, which had its own police force. It was not until 1947 that the office of the attorney general took over supervision of those efforts. Despite eradication measures, Mexican newspapers began reporting on increasingly close relationships between drug traffickers and authorities at the national and local levels, including governors and police chiefs. In one case in 1944, Sinaloa Governor Rodolfo Loaiza was killed and Mexican newspapers and magazines linked the slaying to a dispute between him and a band dedicated to opium production in the municipality of Badiraguato. That town would later become known as “The Cradle of Mexican Drug Cartels,” because many of the top current leaders were born there. (Astorga 2003b: 115-116)

Since World War II, Mexico has remained a major source of marijuana for the U.S. market. But it took longer – until the start of the 1970s – to become a major supplier of heroin because U.S.-based trafficking organizations recovered control of the illicit drug coming from Italy in the years following the war.⁸ An end to the fighting also saw Mexico launch a major, U.S.-backed campaign to combat drug trafficking that succeeded in keeping heroin production in the country at bay, at least temporarily. (Werner 2001: 174) Still, authorities could not hold back the industry forever. By 1947, U.S. Deputy Customs Secretary John W. Buckley asserted that Mexican traffickers used planes to smuggle opium into the U.S. Then, Harry Anslinger, the first commissioner of the Treasury Department’s Federal Bureau of Narcotics, who would eventually hold the office for 32 years until 1962, declared Mexico the main opium supplier for his country, adding that many government officials were involved in drug production and smuggling.

The cultivation of opium poppy in Mexico, although prohibited by Mexican law, appears to be tolerated by state and local authorities in producing areas (...) It is reported that between twenty and thirty secret landing strips for airplanes have been constructed in Mexico

⁷ There is a difference in the cultivation process of marijuana and heroin that might affect eradication campaigns. While the former is a plant that can complete its growth cycle in five months, the latter is annual.

⁸ Heroin was initially diverted to the U.S. market from Italian pharmaceutical manufacturers. But from the early 1950s on, Italian sources were supplanted by products from the Marseille heroin labs (the French Connection), produced with opium and morphine bases from Turkey and Lebanon and run by members of the French Corsican underworld. Those producers supplied the drug to the American-Sicilian mafia. In Courtwright, David T. 2001. “Dark Paradise: A History of Opiate Addiction in America.” President and Fellows of Harvard College. P.148

to handle the transportation of narcotics from Mexico to the United States.⁹

Stories appeared in Mexico City newspapers stating that two governors were also involved in trafficking illegal drugs. During a visit by the Mexican attorney general to the northwestern part of the country, reporters traveling with him wrote lengthy articles about the links between political power and drug cultivation in the area. One such account describes Culiacan as “the headquarters of opium smugglers” and the state’s governor, Pablo Macias Valenzuela, as one of the ringleaders of a gang of drug dealers.”¹⁰

Mexican president Miguel Aleman (1946-52) launched a push against drug trafficking within the framework of an ethical and social protection program that sought to “defend” public health, the economy and the “nation’s international prestige.” In 1948, he began “The Great Campaign,” which sought to eradicate drug crops in the whole country and, for the first time, enlisted soldiers to help. Since then, the Mexican military has been involved permanently in anti-drug programs. But efforts to enforce drug laws helped pave the way for the emergence of more consolidated and professional networks around opium and marijuana production. By the late 1950s, the term “drug dealer” appeared for the first time in the Mexican press, and by the end of the following decade and the beginning of the 1970s, the names Pedro Aviles and Ernesto Fonseca Carrillo were well known. Both are accepted today as early pioneers, and the latter is considered the “Godfather” of the Mexican drug cartels as we now understand them. Fonseca Carrillo was first identified as the head of the Guadalajara Cartel, where he worked alongside Miguel Angel Felix Gallardo and Rafael Caro Quintero, his eventual successors. Fonseca Carrillo is also said to be the uncle of Amado Carrillo, who later became known as “Lord of the Skies,” since he used entire fleets of planes to fly cocaine from South America straight into Miami and other U.S. points by the 1980s.¹¹

⁹ Anslinger presentation at a meeting of the UN Commission on Narcotic Drugs, July 30, 1947. General Records from the U.S. Department of State. In “Drugs in the Western Hemisphere: An Odyssey of Cultures in Conflict,” William O. Walker. Scholarly Resources Inc. Wilmington, DE, 1996. P.113

¹⁰ Article by reporter Armando Rivas Torres for *Excelsior* newspaper. In Astorga 2005: 73.

¹¹ Personal interviews with Mexico’s former deputy attorney general for drug crimes, Jose Luis Santiago Vasconcelos, between 2002 and 2006, when I was a reporter working first with the Spanish News Agency EFE, and then for the British news agency Reuters.

The Rise of Mexico's Cartels

By the early 1970s, Mexico was already widely believed to be the biggest supplier of marijuana and heroin to the United States, following the sustained growth of cultivation and production in the previous decade.¹² But the country was also becoming a key transport point for another major drug, cocaine, which flowed to U.S. streets from South America – even though demand for it was still relatively small. Changes in the U.S drug market helped Mexican traffickers evolve, however, and chief among them was the fact that drug consumption trends were rising among young adults. In 1962, only 4 percent of Americans between the ages of 18 and 25 had tried marijuana. Just five years later, that figure more than tripled to 13 percent, and by 1979, 68 percent had tried it. (Blanken 1989: 23) U.S. heroin use rose as well, while, in Mexico, reliable information about narcotics abuse was scarce, limited only to sporadic reports in newspapers and other anecdotal sources. That changed with the government's commission of the first National Survey on Addictions, but that did not come until 1988, and, even then, its results did not find drug use among young Mexicans increasing at rates as high as those in the U.S.

By 1975, Mexico was facing a serious problem of illegal agricultural production, with opium and marijuana plantations spreading throughout the country almost at will, and occupying areas far away from the U.S. border. Poppy fields reached into such southern states as Oaxaca and Chiapas – which actually borders Guatemala – while major marijuana cultivations spread all the way to the Yucatan Peninsula on the Caribbean Coast, according to official eradication data from the era. The attorney general's office, known by its Spanish initials PGR, reported that authorities wiped out 25,000 hectares of opium poppy plantations between 1970 and 1976, compared to only about 4,370 between 1963 and 1970.¹³ And that was only the beginning. By the middle of the decade, a hectare of poppy generated 5 to 6 kilograms of opium gum that could be transformed into one kilogram of heroin. Technological advances and genetic modification eventually allowed poppy crops to sport more bulbs per plant, pushing production

¹² According to Mathea Falco, U.S. assistant secretary of state for international narcotics matters in 1975, Mexico at the time was supplying around 87 percent of the heroin and nearly 95 percent of the marijuana available on the U.S. market. Also, estimates from the U.S. National Narcotics Intelligence Consumers Committee indicated that between 70 and 80 percent of total U.S. imports of heroin in 1975 were of Mexican origin. NNICC estimates also indicate that 95 percent of U.S. marijuana imports from the 1930s to the early 1960s came from Mexico. Figures quoted in Reuter, Peter and Ronfeldt, David. "Quest for Integrity: The Mexican-U.S. Drug Issue in the 1980's." A Rand Note, Santa Monica, California, 1992.

¹³ PGR data. In Astorga 2005: 119.

of opium gum up to 16 kilograms per plant after 2005, according to data produced by the National Defense Ministry of Mexico. Marijuana, on the other hand, went from about 2,400 hectares razed by the Mexican Army in the 1960s and 500 tones sized, to 13,300 hectares eradicated and 3,800 tones confiscated just in the period between 1970 and 1976. ¹⁴

Washington's concerns about the growing prevalence of Mexican drug production and smuggling efforts first materialized during "Operation Intercept," a search and seizure anti-drug initiative that virtually closed the U.S. border with Mexico for 20 days in 1969. A White Paper on drug abuse released six years later recommended joint law enforcement activities with Mexican police for greater effectiveness. ¹⁵ Mexico refused the offer, but chose to launch its own extensive aerial herbicidal spraying campaign. A few months later, in January 1977, the country started a major U.S.-backed antinarcotics offensive that would be a turning point in Mexico's history against drugs. It was known as "Operation Condor" and billed at the time of its unveiling as "the biggest onslaught against drug trafficking that has been launched in Mexico, with the participation of 10,000 troops." The operation was headed by Army General Jose Hernandez Toledo, a military veteran best-known for his participation in the Tlatelolco student massacre of 1968 in Mexico City, and Carlos Aguilar Garza, an official in the attorney general's office who, in 1984, was arrested with 6 kilograms of heroin and cocaine in the northern state of Tamaulipas. ¹⁶ (Gootenberg 1999: 187)

The campaign sent the military to eradicate drug plantations, reinforce police interdiction efforts against narcotics smuggling, and disrupt trafficking organizations in the northwestern states of Sinaloa, Durango and Chihuahua, dubbed the "Golden Triangle" of narcotics production. The soldiers' headquarters were located in Badiraguato, at the confluence of the three states. The program's results in the eradication of marijuana and poppy fields were surprisingly positive, so much so that crime rates that had been rising in all three states began to fall slightly as a relative calm took hold among rival smuggling gangs. From 1975 to 1977, soldiers destroyed an average of more than 7,000 hectares of marijuana and about 13,500 of opium poppy plantations a year. (Toro 1995: 18-21) Though successful, Operation Condor redefined key facets of the U.S.-Mexico relationship, serving to subjugate the latter to the former in terms of Washington's

¹⁴ Astorga 2005: 120-121.

¹⁵ White Paper on Drug Abuse, A Report to the President from the Domestic Council Drug Abuse Task Force (Washington, D.C. : GPO, 1975), P.50. Cited in Toro 1995: 17.

¹⁶ Gootenberg also says that in 1989, Aguilar Garza was nabbed in Texas as an alleged "drug kingpin" and handed over to Mexico's federal judiciary. He was assassinated in 1993.

war on drugs. As researchers Jorge Dominguez and Rafael Fernandez de Castro assert: “Mexico began to accept helicopters, specialized aircraft, spare parts, pilot training, and other forms of U.S. technical assistance in large quantities, which, as we have seen, was utterly unprecedented.” The authors state that in accepting so much aid, the Mexican government “agreed to formalize the presence of U.S police agents in Mexico who had been gathering intelligence information for decades with or without previous notification of Mexican authorities.” Then, in 1983, Dominguez and Fernandez de Castro note that, “under U.S. pressure, President Miguel de la Madrid greatly increased Mexican military participation in the battle against drug activity.” (Dominguez and Fernandez de Castro 2001: 42) He also declared drug trafficking a threat to “national security” in 1988, soon after the U.S. began unilaterally issuing annual certifications of cooperation and achievement to countries around the globe as a condition for aid and assistance, essentially endorsing or decrying their efforts to control drug violence within their borders.¹⁷ Although Mexico was sometimes threatened with being decertified, that never actually happened, despite its growing drug business.

Operation Condor had other unintended consequences, including the displacement of crops and traffickers to other regions in Mexico, the large-scale exodus of peasants who had lived in the mountains and other isolated areas to cities, human rights violations, and the use of harmful chemicals (Paraquat)¹⁸ which were sprayed on drug plantations to destroy them. (Astorga 2005: 113-120) Also, it promoted the “cartelization” of drug organizations operating in Mexico, as Toro states. Operation Condor pushed less daring and smaller traffickers out of business, ensuring that only the largest and best-organized survived and moved in to fill the void, becoming even more powerful and influential in the process. Also, those groups that survived were forced to reorganize their businesses due to the crackdown and began, for their continued survival, to rely on the purchase of weapons and other forms of protection and the increasing use of violence. (Toro 1995: 17) Meanwhile, the anti-narcotic collaboration honeymoon between the United States and Mexico would come to an abrupt end after Drug Enforcement Administration agent Enrique Camarena was captured and killed by Mexican traffickers in Guadalajara in 1985.

¹⁷ The certification process first became U.S. law with the 1986 Anti-Drug Abuse Act and was subsequently modified in 1988, both under the Ronald Reagan administration.

¹⁸ For a complete explanation about the use of the chemical Paraquat for eradication campaigns of marijuana, see the study, “Detection and Analysis of Paraquat in Confiscated Marijuana Samples,” by Turner, Cheng, Torres, and Elsohly, from 1978.

Mexico's Cartels Fight Back

Operation Condor forced Mexican drug syndicates to reorganize, moving into transportation of cocaine to the U.S, a previously untapped area of operations for them. The move was necessary because anti-drug efforts succeeded in making previously strong segments of the illicit narcotics market suddenly less profitable. Mexican exports of heroin to the U.S. reached their peak value in 1977-1978, (Resa Nestares 2003: 53-62) when they accounted for about \$4 billion dollars annually, when adjusted for year 2000 level inflation.¹⁹ The heroin business began to sink after that, when Operation Condor and other Mexican interdiction initiatives began to severely limit the availability of the product. The crackdown on production and smuggling also affected marijuana, which until the 1970s was the leading illegal drug exported by the country. That industry suffered a violent contraction in shipments to the U.S. – its only market – in the late 1970s and early 1980s, decreasing from a value of about \$1 billion in 1972 and 1973 to less than \$300 million in 1981. In addition to production concerns, another key factor in that decline, as Resa Nestares notes, was a strong rejection by U.S. consumers of Mexican marijuana after word spread throughout America that Mexican authorities were using toxic sprays to eradicate marijuana crops in many parts of their country. As marijuana sales sagged, Mexican cartels embraced cocaine more and more, triggering a profound revamping of the structures of most smuggling gangs. The value of Mexican exports of cocaine to the United States amounted to \$4 billion in 1984, but by 1991, it had climbed to double that, as measured in dollars adjusted for inflation at 2000 levels. (Resa Nestares 2003: 38-39) Even though marijuana exports levels recovered fully by 1984, the value of Mexican marijuana began to slide after 1991 and has never fully recovered, as increasing competition for market share in the U.S. has continued to hold prices in check.

It was in late 1984 that authorities discovered a huge marijuana processing center hidden on the grounds of El Bufalo ranch in the remote desert of Chihuahua. The area was being used to store thousands of tons of marijuana while Operation Condor was being conducted, with those who controlled the area apparently hoping to wait-out authorities and only smuggle their product to the U.S. once the crackdown had ended. That discovery was so costly that analysts believe it prompted a conscientious decision on the part of Mexican drug organizations to hit back. In

¹⁹ Because of the lack of information in this area, Resa Nestares devises his own data based on seizures in the U.S. and narcotics prices given by researchers such as Astorga and King for certain years. He then adjusts financial data to the rate of inflation in 2000.

February 1985, undercover DEA operative Camarena and a Mexican pilot were kidnapped. Both were soon murdered, and when their tortured remains were recovered, the message to authorities in both Mexico and the United States was clear: such killings would become commonplace if Operation Condor and other efforts like it were not scaled back. To this day, Camarena is the only DEA agent killed while working in Mexico. Up until his death, targeting a U.S. government official had been a line Mexican smugglers weren't willing to cross. The U.S. responded with operation "Stop and Seize," virtually closing its border with Mexico again, as a way of pressing Mexico City to get to the bottom of what happened to Camarena. U.S. officials believed Mexican police authorities were involved in the agent's kidnapping as he worked to prove that the western city of Guadalajara, Mexico's second-largest, was become a key center for international drug trafficking. When Mexican investigations into the slayings stalled, DEA Director Francis Mullen declared to reporters that guards from the Mexican Federal Directorate of Security had let the main suspect in Camarena's kidnapping escape. "This concerns us, and we wonder why he was allowed to go," Mullen said.²⁰

Rafael Caro Quintero was the alleged head of the powerful Guadalajara Cartel and had a romantic relationship with the niece of the governor of Jalisco state, of which Guadalajara is the capital. He eventually was captured in Costa Rica and returned to Mexico to face charges for Camarena's murder, as well as accusations he was a top leader of one of Mexico's largest and richest drug production and smuggling organizations. After his capture, Mexican authorities released for the first time a list containing the names of the country's top drug kingpins, and acknowledged that some law enforcement officials had links to the illegal organizations, while at the same time maintaining that the relationship between the cartels and corrupt officials was relatively isolated and had not spread to all legal and law enforcement institutions. Despite those assurances, in 1985, Mexico shutdown the Federal Directorate of Security, a national police force that had been assigned to preserve the country's internal stability when it was created in 1947. That was the same group the DEA director claimed let the man behind Camarena's kidnapping slip away, and also had faced the bulk of accusations of widespread corruption and charges its agents offered protection to drug gangs in exchange for sizeable bribes. The names on the official list of heads of the drug trafficking organizations included Miguel Angel Felix Gallardo, Rafael Caro Quintero, Juan Jose Esparragoza Moreno, and Jorge Fabela Escobosa.

²⁰ Mullen, quoted in story from *The Los Angeles Times* dated February 25, 1985. "U.S. Charges Mexico Let Suspect Flee-DEA Chief Also Says Federal Police Aided Kidnapping Fugitive."

Ernesto Fonseca Carrillo, alias “Don Neto,” was known as a founding member and longtime patriarch of the Guadalajara Cartel. He was arrested a short time after the list was released. More fortunate was Miguel Angel Felix Gallardo, who was on the administration board of a local bank, had close ties to a former Sinaloa governor and was frequently mentioned in the social pages of newspapers in Culiacan. He remained free until 1989, despite more than a dozen arrests warrants issued against him since 1971. (Astorga 2005: 145) The capture of the Guadalajara Cartel’s main leaders forced the group to reorganize, with low-ranking associates moving up to higher positions. The new kingpins divided the group’s territory into smaller fiefs and routes to the U.S. market, and for a while formed an alliance under a makeshift umbrella organization that became known as “The Federation.” Among its members were the Arellano Felix family, which controlled the city of Tijuana, and lucrative routes into neighboring San Diego and much of Southern California; the Amado Carrillo Fuentes group, based in Ciudad Juarez, across the border from El Paso, Texas; and the Amezcua Contreras organization, identified as the largest illegal importer of ephedrine – a key component of synthetic drugs, including methamphetamine – into Mexico and on to U.S. territory from the tiny Pacific Coast state of Colima. A DEA Report in 1996 characterized those organizations as “major Mexican trafficking groups” and concluded that they “operated within a fluid, flexible, and elastic system.” The DEA reported at the time that alliances among the groups hold, but also “shift, or shake-ups in the hierarchy occur with the divergence of interests and eruptions of internecine violence. But while the precise roles of specific groups and individual organization members often blur, there is an overarching structure within which drug trafficking operates: The Federation.” The other big organization, one which shunned the coalition, was the Cartel of El Golfo, based in Matamoros, Tamaulipas, also on the border with the U.S. This group developed in the 1980s under the leadership of Juan Garcia Abrego, who was captured in 1996 and later extradited to the U.S. By the end of the millennium, a young and ambitious hit man named Osiel Cardenas Guillen had risen through the ranks to become the group’s leader.

The Federation would last until the early 2000s, but in the mid-1990s was already beginning to crack. The most notorious problem arose with the slaying of the Archbishop of Guadalajara, Juan Jesus Posadas, during a shootout in the parking lot of the city’s airport in 1994. Posadas was allegedly mistakenly identified as a rival drug lord and was caught in the crossfire between gangs. The bands that opened fire on one another that afternoon should have been cooperating as mandated by the alliance. Instead, members of the Tijuana Cartel, headed by the Arellano

Felix brothers, and operatives loyal to a gang controlled by Joaquin “El Chapo” (Shorty) Guzman Loera tried to kill one another. Over the next decade, loyalties would crumble further, with every group working in its own interest while occasionally forging alliances in order to defeat a common rival or gain new territories and routes to smuggle drugs to the U.S.

Early in the 1990s, the Guadalajara Cartel had been identified by the DEA as one of the first Mexican drug trafficking groups to work with the Colombian cocaine mafias.²¹ At some undetermined point, Mexicans started smuggling Colombian cocaine to the U.S. themselves, no longer relying on networks established by the Colombians and even charging them a fee for transportation. (Thoumi 2003: 100) Although at first the amounts moved unilaterally by the Mexicans were minimal, after more aggressive and effective interdiction measures proved successful in the Caribbean, cocaine traffickers modified their tactics and operations. Primary cocaine routes began to pass through Central America and Mexico, and ships replaced planes as the most common form of transport. (Reuter 1988: 233-252) But the main impetus for the rise of the Mexican gangs in the cocaine market was the fall of the big cartels in Colombia. The killing of Pablo Escobar, the head of the feared, ruthless and powerful Cartel de Medellin, was followed by the capture and extradition of the Rodriguez Orejuela brothers, who had controlled the rival Cali Cartel. As Colombian organizations became increasingly fragmented, Mexican traffickers began to gain more power, smuggling cocaine produced in South America into the United States without relying on Colombian groups for protection, know-how and support.

The New Millennium

The beginning of the new century in Mexico saw the stunning electoral defeat of the party known as the PRI, for the first time since its founding 71 years earlier. The system that Peruvian writer Mario Vargas Llosa dubbed “the perfect dictatorship” because the PRI enjoyed absolute control under the guise of purportedly free and fair presidential elections every six years, was suddenly finished. Instead, Mexico finally shifted to an imperfect democracy, headed by an against-all-odds rancher from the northern state of Guanajuato, Vicente Fox, who worked as a manager at Coca-Cola de Mexico before becoming the presidential candidate that toppled the PRI party machine in July 2000. Many things were different from then on. Not only did Fox vastly improve the image of Mexico’s presidency simply by winning the election as a member of

²¹ DEA, “Methamphetamine Situation in the United States,” Report. March 1996. Chapter about Production and Trafficking.

a party other than the PRI, he also shifted the perception of his new office from overly formal to that of a cowboy who always wore boots and a wide leather belt with a large metal buckle. He also vastly remade the structure of power within his administration, dismantling at least part of a PRI bureaucratic system that had become so unwieldy since coming into being in 1929.

Sociologist Luis Astorga (2005), a leading researcher on Mexico's drug trade, asserts that throughout the country, illegal drug production and trafficking had long since become accustomed to offering kickbacks for protection from authorities, who used state resources to protect drug gangs in exchange for personal bribes. Despite some successful crackdowns, including Operation Condor, smuggling syndicates understood that as long as they kept making protection payments, authorities would generally leave them alone. The Fox government changed that however, first involuntarily, by simply replacing the previous PRI bureaucracy, which had had deep contacts within drug organizations. Fox chose new, conservative officials from his National Action Party, or PAN, many of which had no knowledge of how the government's power structure had functioned. Also, the new president sought to clean up the ranks of anti-drug authorities and erase longstanding ties between all levels of government and drug cartels. Doing so was not so easy, however. Drug gangs responded with increased levels of violence and, anxious to restore order, the government began to rely more heavily on soldiers through a large military initiative called "Operation Safe Mexico," which ultimately only served to make the violence worse. Decades of relative calm built on corruption disintegrated and the result was a blood bath that made the government even more nervous. Mexican authorities said rising violence proved they were winning the war against drug smugglers, claiming the major cartels were being forced to endure violent internal shakeups and outside challenges just to continue operating.²² But, as Astorga (2005:162) explains, authorities began "employing the current, desperate measures we have seen, such as the increased use of the armed forces, in an attempt to recover the relative control and containment of the drug trafficking business that had previously operated for decades."

For a while, the strategy worked. The Fox administration captured Benjamin Arellano Felix, the smart-as-a-whip operations chief of the powerful and blood-thirst gang bearing his family's name in Tijuana. Around the same time in 2002, the group's fearsome enforcer, Ramon

²² Personal interview with Mexico's former deputy attorney general for drug crimes, Jose Luis Santiago Vasconcelos, between 2002 and 2006, when I was a reporter working first with the Spanish News Agency EFE, and then for the British news agency Reuters.

Arellano Felix, was shot and killed, crippling the family business. Authorities also collared Osiel Cardenas, the head of the Gulf Cartel, the following year. While Fox declared those blows against drug smuggling historic victories, a void at the top unleashed a war for territory that centered on Nuevo Laredo, part of the area under territorial control of the Gulf Cartel and the main entrance for drugs into Texas. The border city, which had always been a coveted prize, became even more fiercely sought-after by rival drug gangs. Drug-related killings became so frequent in the summer of 2005 that the army had to permanently occupy the city, a move that did not succeed in tampering down the murder rate – but at least kept the surrounding region from sliding into chaos.

A complete loss of control was never an issue with the PRI because, before its defeat, numerous police agents and police chiefs had perfected the art of protecting drug trafficking organizations. One of the most notorious cases involved the previously mentioned Federal Directorate of Security, which had also faced allegations of being involved in repression of student protests, activities that culminated in the massacres of Tlatelolco in 1968 and “Jueves de Corpus” in 1971. It was not until 1985, when U.S. investigators linked the institution to the Guadalajara Cartel following the kidnapping and murder of Enrique Camarena, the DEA agent, that the force was finally disbanded. Other incidents saw the surprising downfall two years later of Mexico’s newly appointed drug tsar, General Jesus Gutierrez Rebollo. Gutierrez Rebollo had been appointed just months earlier to head the National Institute to Combat Drugs, but was quickly arrested and accused of protecting and receiving money from the Juarez Cartel. His saga even inspired the Hollywood hit “Traffic,” and it wasn’t long before Mexico closed his former institute.

But drug accusations have not been limited to law enforcement. PRI governors have for decades been accused in the press, directly denounced by lawmakers in Mexico’s Congress, or even openly prosecuted for protecting certain drug organizations in their states, often while ensuring authorities targeted a rival. Prosecutions against PRI governors stretch back decades, but two of the most recent involved Mario Villanueva, the former governor of Quintana Roo, home to Cancun and other glittering resorts. He was arrested in 2001 and charged with providing assistance to drug traffickers and laundering drug profits for the Juarez Cartel. Also, in 1997, the governors of Sonora, Manlio Fabio Beltrones, and of Morelos, Jorge Carrillo Olea, were linked to drug organizations in a story published by *The New York Times*. The paper cited

U.S. authorities as its main source. Also, many Mexican newspapers uncovered ties between Tomas Yarrington, the former governor of Tamaulipas, and the head of the Gulf Cartel.

In a spectacular operation in October 2002, the Mexican Army took over a complete battalion and sent all of its 600 soldiers back to their barracks in the town of Guamuchil, Sinaloa, to investigate them for links to drug trafficking. This was no ordinary battalion, its main focus had been to battle drug smuggling, but not all of its members were doing their jobs. "Certain important parts of the battalion protected the planting and cultivation of drugs," Defense Minister Ricardo Clemente Vega said later.²³ In November of the same year, two army generals: Arturo Acosta and Francisco Quiros, who had previously been accused of the killings of 143 dissidents between 1975 and 1979, a period known as Mexico's "dirty war" against shadowy anti-government groups, were sentenced to prison for protecting the Juarez Cartel in the 1990s, a time when the group was headed by Amado Carrillo.

Drug Kingpin CEOs

Globalization has transformed Mexico's business world and has also had a major impact on drug trafficking. What began as a family business has long since outgrown its distinction as a collection of mom-and-pop operations. Drug groups today are cranking out heroin and marijuana, and moving record levels of cocaine, but they also are diversifying into products such as synthetic drugs, with a level of sophistication and professionalism never before seen.

Mexico still produces heroin and marijuana but is not among the world leaders in those markets. In the case of heroin, Afghanistan alone accounted for 92 percent of global production in 2007, cranking out 6,100 of the 6,610 metric tons available globally, according to United Nations Office on Drugs and Crime. Mexico is a small heroin player now, but its production continues to constitute a "major source" for the U.S. market.²⁴ The same has been true for marijuana, whose production has spread to many parts of the globe. Mexico remains an important regional producer, along with Paraguay. In 2006, Mexico produced 7,400 out of the 41,400 metric tons on the world market, and most of what it produces continues to flow north to its neighbor. "The

²³ The Defense Minister was quoted in a story the author of this paper wrote while working as a reporter for EFE News Agency in Mexico City on October 15, 2002.

²⁴ International Narcotics Control Strategy Report 2009. Vol. I. Drug and Chemical Control. Mexico Chapter. Available online: <http://www.state.gov/p/inl/rls/nrcrpt/2009/vol1/116522.htm>

majority of marijuana produced in Mexico enters the U.S. market,” said the International Narcotics Control Strategy Report 2008, produced by the U.S. State Department.

And though Mexico does not produce cocaine, U.S. authorities estimate that 90 percent of all cocaine consumed in the United States is now smuggled there via Mexico.²⁵ As recently as 2007, the Mexican attorney general’s office barely even acknowledged that the country’s drug gangs had links to cocaine cartels in other regions of the world, but Colombian traffickers were far more vocal about those ties. Luis Hernando Gomez, a top leader of the Colombia cartel Norte del Valle, said in an interview with the newspaper *El Tiempo* that Mexicans were controlling cocaine traffic in all of Latin America. “Today, they impose the conditions. They are practically managing the business. They are very smart: if you send them 1,000 kilos, 400 are for them and they charge 20 percent for smuggling it to Guadalajara or Mexico City, and the investment is charged totally on us.”²⁶ Mexican drug organizations also expanded their links to coca producers in Peru since the 1990s.²⁷ In 1995, 3.2 tons of cocaine destined for Mexico was seized in the coastal city of Piura. Then, in 2002, a huge Peruvian operation led officials to discover the true dimension of the presence of Mexican cartels in their country, when they captured another 1.7 tons of the narcotic. By 2006, the then head of the National Anti-drug National Directorate, Carlos Olivo, recognized that Mexican cartels, especially the Tijuana organization, were sending their representatives armed “with millions of dollars to invest jointly with the Colombians in cocaine production in Peru.” The Colombians contributed added know-how and even had begun sending their own chemists to the jungle to install labs close to the coca fields.²⁸ By 2008, Peruvian President Alan Garcia asked for help from Mexican police to fight Mexican cartels in his country. “We identified the aggressive entry of Mexicans trying to rebuild in the Upper Huallaga Valley (in the northeast), undoing all progress the state had made in coca eradication,” he said during a press conference during the APEC meeting in November 2008. From then on, media reports quoting DEA agents in South America have mentioned

²⁵ International Narcotics Control Strategy Report 2008. Vol. I. Drug and Chemical Control. Mexico Chapter. P. 176.

²⁶ Interview with Colombian newspaper *El Tiempo* in March 2007.

²⁷ Drug trafficker Oscar Benitez stated that the Juarez Cartel even paid bribes to then Peruvian presidential advisor Vladimiro Montesinos in order to export cocaine to Mexico without problems. The statements from Benitez were used in the trial against businessman Fernando Zevallos, accused of being involved in drug trafficking in 2004.

²⁸ Olivo’s comments appeared in a story by news agency IPS from Lina, Peru, on August 24, 2006.

growing links and the expanding operations of Mexican drug organizations in other Latin American countries, and even in Europe.

But if Mexico is so important in the drug trafficking supply chain to the U.S., why haven't drug gangs in other countries attempted to challenge its dominance? The answer came from Mexico's deputy attorney general for anti-narcotics, who said in a personal interview with the author of this paper in September 2003 that the country's cartels are too ruthless to let non-Mexican smugglers get even a toe-hold in their territory.

Mexican drug kingpins are very violent and territorial. This prevents other organizations from settling in. Although Mexicans tolerate the presence of representatives from other groups, they allow them to move in only to do business, not to exploit territories. ²⁹

The Mexicans are shrewd businessmen and one of the most recent examples of their acumen came with the rise of the synthetic drug market in the United States. As drugs like methamphetamine became wildly popular in cities and towns across America, Mexican smuggling syndicates learned very quickly that it and other synthetics can be produced virtually anywhere at extremely low costs. Since 1990, authorities have detected production of amphetamine-type stimulants (ATS) such as methamphetamine and amphetamines (the kind of meth produced in Mexico) in 60 countries around the world and counting. The main market for Mexican ATS is, of course, the United States. Ephedrine, a supplement that can still be purchased over-the-counter in many parts of the world, is a key precursor of synthetic drugs. In 2006, Mexico seized a record 20 tons of ephedrine and seized nearly 13 tons of pseudoephedrine the following year, according to PGR data. But seizure levels for precursor chemicals have declined since then, as authorities have launched a crackdown on labs where synthetic drugs are cooked up. Santiago Vasconcelos, Mexico's deputy attorney general, explained the rise of synthetic drugs in Mexico as follows to *El Universal* newspaper in Mexico City in June 2008, mere weeks before a plane carrying him and other top officials crashed under mysterious circumstances:

These drug lords recognized the synthetic drugs market as an alternative. You have no risk in the transport, you don't need large areas of cultivation, your costs in bribes decrease, you don't need to put at risk a large amount of infrastructure such as planes, ships,

²⁹ Personal interview with Vasconcelos, published September 4, 2003, by EFE news agency.

vehicles. In a little room of two by two meters, you can “cook” synthetic drugs with an extraordinary profit. ³⁰

After the major arrests and resulting violence of the early 2000s, Mexican drug trafficking groups entered a new major transitional phase. According to the Mexican attorney general's office, representatives from different groups briefly formed a sort of administration board under the umbrella of the Juarez Cartel, though external disputes eventually caused that alliance to collapse. ³¹ The organization that emerged as the most powerful and influential was the Sinaloa Cartel, headed by Joaquin “Shorty” Guzman. Standing 1.70 meters – 5-feet, 7-inches – tall, Guzman is today the most-wanted criminal in Mexico, He even made the *Forbes* Magazine top millionaires list, ranking No. 701 in 2009 with a fortune believed to exceed \$1 billion. Guzman was one of the pioneers of building tunnels under the U.S.-Mexico border, moving countless tons of cocaine and heroin into America without detection and multiple shipments of weapons into Mexican territory on the way back. He was arrested in Guatemala in 1993 and imprisoned until 2001, when he and his associates bribed prison guards who allowed him to escape in a laundry truck. His whereabouts since then remain unknown, though the Mexican attorney general's office considers him a “drug guerilla warrior” because authorities believe he spends at least some of time hiding in caves in the mountains. And yet, Guzman has proven extremely effective at running and even boosting his drug business while avoiding capture.

The Sinaloa Cartel operates with a complex power structure, where Guzman is the boss but coordinates closely with Ismael “El Mayo” Zambada and Ignacio “Nacho” Coronel, who are in charge of important territories and smuggling routes controlled by the organization. While their full duties are unknown, Mexican authorities have identified Coronel as the head of the Sinaloa Cartel's synthetic drug operations. Below Guzman and his top deputies, there are what have become known as “jefes de plaza,” or regional bosses who control certain areas, usually cities. Other top cartel leaders are in charge of finance, logistics, transportation and security.

The area of security has been more profusely developed by drug organizations after the PRI lost the presidential election in 2000. With the military increasingly turning to fighting drug trafficking, the decision about where to go to best-protect cartel interests was easy: In a bold move, Osiel Cardenas co-opted a division of the Mexican Army's best-trained special forces

³⁰ *El Universal*, Mexico, June 2, 2008.

³¹ Personal interview with the deputy attorney general published September 4, 2003, by EFE news agency.

unit, the Grupo Aeromovil de Fuerzas Especiales (GAFE). This new group of drug enforcers and smugglers became known as the Zetas. They soon became so powerful that General Ricardo Clemente Vega, then Mexican Defense Minister, said in 2003 that not only were members of the GAFE being bought by drug smugglers, but the problem was spreading to other reaches of the military:

Hiding it would be a lie. It's a cartel, a big cartel, which recruited all deserters. Unfortunately, this is happening everywhere. These are people without honor, without conviction, without passion or desire to defend Mexico.³²

Some members of the special forces resigned, but others simply defected and became part of the Gulf Cartel, which also had civilians enrolled in its armed wing. (Ravelo 2006: 253-259) In January 2008, Mexico's deputy minister of defense, Tomas Angeles Dahuajare, acknowledged to Congress that more than 100,000 soldiers had defected since 2000, some of them to join drug organizations. That was when fighting among drug cartels in Mexico began becoming especially fierce and ruthless. For the first time in Mexican history, battles among rival gangs became so hostile that they left massive trails of killings and even dabbled in torture and mutilation, as the bodies of victims recovered by police later showed. The *coup the grace*, gang-speak for a gunshot to the temple, was no longer sufficient and gunmen, who had previously generally kept feuds contained, settling scores among themselves and not targeting society as a whole. Instead, they began killing everyone: policemen, local security officials, and journalists. In response, the Sinaloa Cartel formed its own militia, not using Mexican army officials but instead recruiting members of the Chachos gang from Texas and Mexico's *Gente Nueva* organization. The situation was so dire that U.S. Ambassador to Mexico Tony Garza declared in August 2005 that America's southern neighbor had failed to quell drug violence and warned Mexican authorities that the longer the killings persisted, the more difficult it would be for Washington to consider Mexico a "reliable partner."³³

The new business management style has also created division between the organizations that have adopted it, and those smuggling gangs that preferred to adhere to the more-traditional family style of management. Among the latter syndicates was "*Los Valencia*," which had long

³² Statement by General Ricardo Clemente Vega, then Mexican Defense Minister. It is taken from a story reported and written by the author of this paper for EFE news agency in Mexico City on March 14, 2003.

³³ U.S. ambassador's comments to the Mexican press, cited in an EFE story, August 17, 2005.

controlled drug production and smuggling in the central state of Michoacan, and the Diaz Parada group, which produced and transported marijuana in the southern Pacific Coast state of Oaxaca. Both organizations began to buckle in the face of unprecedented violence and enjoy little of the importance today that they did in decades past. Currently, Mexico's most-powerful drug gangs, including the Sinaloa Cartel, the Tijuana Cartel and the Gulf Cartel, all rely on tactics of business management and have thrived. A key reason for their success has been the pressure applied by Mexican authorities. Family-style gangs depended on a very centralized decision-making process that placed a great deal of authority in the hands of a strong boss, a system that allowed few new and younger leaders to emerge and discouraged groups from expanding into territories beyond those that they traditionally controlled. When authorities, or rival drug gang members, killed or captured a group's kingpin, there was often no one capable of stepping up and replacing him. The business management style, meanwhile, is more likely to create a decentralized administrative system and decision-making boards where every member has a well-determined and established area of territory and the full group only meets to make the biggest decisions. That style has not only shielded them from catastrophe when top leaders are killed or captured, but also allowed them to maintain consistent and stable control over large portions of territory apt for production and smuggling routes.³⁴

The Final Crackdown

After so much restructuring during the first six years without the ruling PRI, Mexican drug organizations have emerged even more agile and better accommodated to the new dynamics of power through alliances, while also continuing to evolve to resist additional pressure from authorities. For instance, the Tijuana Cartel, weakened after the loss of its leaders, started to dabble heavily in the business of kidnapping for ransom in Mexico, according to reports from the attorney general's office. The Arellano Felix brothers organization also expanded abroad, gaining strength in producing and smuggling cocaine in countries such as Peru. Another example is the Juarez Cartel, also weakened by the lack of strong leadership after the death of its head, Amado Carrillo, in 1997. That group also reinvented itself, finding new uses for the drug tunnels it built during the 1990s along Mexico's northern border to smuggle narcotics. During the past decade, those underground routes have been heavily utilized to move people

³⁴ Information on this topic comes from a series of interviews between 2002 and 2007 that the author of this paper conducted with Mexico's then deputy attorney general Jose Luis Santiago Vasconcelos, the top official in charge of fighting drug trafficking related crime.

illegally to American territory and carry U.S. arms back home. Weapons smuggling into Mexico ballooned in September 2004, when the U.S. government allowed the Federal Assault Weapons Ban of 1994 to expire, ending provisions that had prevented the sale to civilians of certain semi-automatic rifles, and thus flooding the market with firepower that could be smuggled into Mexico. Mexican authorities' seizures of all kinds of weapons skyrocketed, especially rifles and particularly from 2006 on, according to official government data. Drug cartels often use semi-automatic handguns and rifles like AK-47s, and therefore had arms buyers in the U.S. obtain many of the weapons once prohibited under the ban and bring them into Mexico.³⁵ President Felipe Calderon raised this issue with President Barack Obama during his visit to Mexico in April 2009, saying, "from the moment the prohibition on the sale of assault weapons was lifted a few years ago, we have seen an increase in the power of organized crime in Mexico."³⁶

Between 2002 and 2006, the annual average number of rifles seized in Mexico was 2,500. In the 28 months that ended in March 2009, meanwhile, authorities recovered 19,801 rifles, most of them assault rifles, an increase of 330 percent over the annual average of the previous period. Mexican authorities are now officially complaining about the effect the expired ban has had on their country, and Obama, who included making the expired federal Assault Weapons Ban permanent among his campaign promises, said he had "not backed off at all" from his belief that the ban "made sense."

Then there is the fact that corruption among authorities does not simply stop where American territory starts, neatly confining itself to Mexico. Though the U.S. has its own problems in this area, graft among U.S. Customs officials remained far less-publicized until April 2008, when a former border inspector in El Paso named Margarita Crispin was sentenced to a 20-year prison term for helping smuggle marijuana into the United States over the previous three years. Since then, scores of American Customs and Border Protection officials have been charged with drug smuggling and accepting bribes from Mexican traffickers, including Martha Garnica a 12-year

³⁵ The pattern of weapons supplies to Mexican drug organizations was not clear until 2009. Previous reports from the Mexican Attorney General's Office asserted that arms were bought in the U.S. for individuals who were contacted by cartel distribution networks in Mexico, but that the cartels were not directly controlling weapons smuggling into their country. But in April 2009, the arrest of Victor Varela in Arizona challenged that view. Varela told U.S. authorities he was an arms supplier directly for the Juarez cartel.

³⁶ President Calderon made this statement during President Obama's visit to Mexico City on April 16, 2009.

veteran of the El Paso border crossing, and former U.S. Marine turned customs inspector, Luis F. Alarid in San Diego, who received 7 years in prison in February 2009 for making it easier for Mexican drug gangs to move their product north. Rather than simply looking the other way while the drugs flowed into America, these officials were actively adding in smuggling. The recent rash of prosecutions shows not only just how widespread the corruption among U.S. authorities has become, but also plainly illustrates the power and scope of Mexican cartels, whose tentacles now stretch into all facets of life on their country's border with the United States.

Authorities have long understood that at a certain point, usually reasonably near the Mexico-U.S. border, drugs typically changed hands from Mexican smugglers to pushers who were American citizens and were in charge of moving product around the country. Increasing evidence of corruption among U.S. customs officials and their direct links to Mexican organizations weakens that theory, however, making it easy to imagine gangs from Mexico slipping their product straight into America and continuing to carry it to key distribution points themselves, cutting U.S. gangs out of the equation altogether. More evidence of just such a scenario came on November 20, 2009, when an Illinois court linked a group in Chicago with *La Familia*, a cartel based in Michoacan which has become notorious for its extremely violent ways in recent years, even as its power has expanded enough to make it one of Mexico's largest and most-feared smuggling syndicates. The Chicago group not only maintained close contact with *La Familia*, but allegedly received instructions from its leaders as "a command and control group designed for the efficient distribution" of narcotics in the area, according to a U.S. Department of Justice report issued the day of the arrest. The Chicago organization was not only linked to marijuana smuggling, as most of the U.S. officials now imprisoned were, but also cocaine distribution.

When President Calderon – like Fox, a member of the National Action Party – took office in December 2006, he vowed to continue making the battle against drug trafficking a top priority. He teamed up in 2007 with U.S. President George W. Bush for a cooperation program to fight drug crime that later included the Merida Initiative, through which Mexico will receive \$400 million in equipment and training from the United States. The plan was approved by the U.S. Congress the following year. Calderon also launched "Joint Operations," which combined police and soldiers to fight smugglers. Since the initiative began three years ago in Michoacan, where violence was growing out of control because of frequent beheadings and drug-related killings almost every other day, the Calderon government has expanded it to 15 more of Mexico's 32

states. Twelve thousand policemen and 45,000 troops were deployed, resulting in thousands of drug-related arrests and seizures. The crackdown has even begun to net the country's biggest fish. On December 16, 2009, Mexican Navy personnel led an assault on a luxury apartment complex in Cuernavaca, a colonial-style, resort town south of Mexico City, which killed Arturo Beltran Leyva, one of Mexico's most-powerful traffickers and formerly a top ally of the country's previously discussed, most-wanted man, Joaquin "El Chapo," Guzman. Beltran Leyva had a falling out with Guzman in early 2008 after Beltran Leyva's brother was arrested. Still, his power and influence on the Mexican narcotics business was nothing short of legendary. Dubbed "The Boss of Bosses", Beltran Leyva had successfully forged alliances with the Gulf Cartel and the Zetas, according to U.S. State Department and DEA, and expanded his power throughout the central Mexican states. Calderon immediately labeled his slaying a "convincing blow" to a powerful cartel, but its consequences in terms of unleashing a new and potentially bloody leadership struggle are as of yet unknown. As we have seen in the past, sometimes the death or capture of a key kingpin leads to more drug violence – not less.

Meanwhile, Calderon also approved the extradition to the U.S. of all major Mexican figures facing drug charges in that country. Between December 2006 and December 2008, 192 offenders were extradited from Mexico. Of those, 184 were sent to the United States and the vast majority face drug and homicide charges there, according to Mexican government data. Calderon's battle has not only been limited to reinforcing interdiction and eradication programs, but also has included fighting kidnapping, organized crime and corruption. After a witness who entered the U.S. federal protection program in Washington testified that public officials at nearly every level of Mexican government were involved in drug trafficking, Calderon launched "Operation Cleanup" in October 2008. The president said the new program sought to build "long term investigations that will yield more complete information and develop intelligence which will allow for the dismantling of networks which, unfortunately, have allowed organized crime to operate for many years."³⁷ By the end of February 2009, the program had led to the arrest of 25 officials, including the deputy attorney general in charge of fighting drug trafficking and the head of Interpol Mexico, as well as other top leaders in the government's intelligence apparatus, anti-narcotics office and the heads of police forces and security networks. In its 2009 annual international narcotics report, the U.S. Department of State asserted that, "corruption throughout Mexico's public institutions remains a key impediment to successfully curtailing the power of the

³⁷ President Calderon made this statement at a press conference during the APEC meeting, on November 23, 2008. Taken from the Mexico's Presidency website. www.presidencia.gob.mx

drug cartels.” The year 2008 ended with 5,700 drug-related killings, more than double the previous year’s mark. Between the violence and drug corruption scandals within government, things got so grim that early in 2009, the U.S. government issued a report suggesting drug violence could cause the Mexican government to collapse, leaving Washington facing the prospect of a failed state just next-door.

Conclusions

As the Mexican government sees it, the problem is the reorganization, not of drug gangs, but of the “drug business model,” under a new political and economic environment. Political corruption, which for decades allowed smuggling to flourish, is now finally being stamped out, at least to some degree. The crackdowns have hit the country’s main trafficking organizations hard, but far from weakening them, the operations have simply forced them to shift into new areas of expertise and business opportunities. As Calderon noted in March of 2009, drug trafficking in Mexico was “formerly a business geared exclusively toward drug trafficking to the U.S., but now seeks to position itself to control the market.”³⁸

The origin and development of drug organizations and trafficking in Mexico have been closely linked to the prohibitions established in the United States and that country’s unwavering demand for drugs, a demand that has only grown more complex and varied over time. But no less important a factor has been the political conditions in Mexico, which favored corruption and the birth of safety nets for drug smugglers. These protection networks sheltered the gangs since their infancy, with a total disregard for laws and social norms of behavior. Such corruption was further fueled by an environment of poverty and exclusion as a result of a socioeconomic heterogeneous growth which favored only certain regions of the country and left others marginalized, further increasing equality gaps throughout Mexico.

Mexican drug violence is not new a phenomenon, but the extreme cruelty and its spread to other locations outside the traditional cartels’ headquarters have been an unwanted consequence of the rearrangements of drug organizations after the PRI’s downfall and the capture of two of the main cartel’s heads. The process of emergence of new leaderships proved

³⁸ President Calderon’s statement, taken from a speech in Mexico on March 12, 2009.

to be a bloody one, as was their efforts to defend their territories from other organizations, to move into areas controlled by other gangs, or to battle the Army's and the police's attempts to quash them. This struggle was made all the more deadly by an unending supply of heavy weaponry now being smuggled south from the U.S. since the expiration of the assault ban.

The Mexican military, which had been considered above corruption levels seen in the country's police, proved to be more vulnerable than previously thought to the allure of money, a discovery that became increasingly apparent as successive presidential administrations relied more and more heavily on the support of soldiers to beat back drug production, smuggling and violence. The growing involvement of troops in the offensive against drugs, in retrospect, has largely served to benefit, rather than hinder, the cartels. Instead of working to break them up, many soldiers have crossed to the other side and become hired killers. That may be a key reason why, during their last major operation against Beltran Leyva in Cuernavaca, authorities chose Navy commandos instead of Army special forces.

Crackdowns of all kinds have historically failed to quell the drug business in Mexico, even though they tend to placate Washington and its "Just Say No" approach to the problem. Instead, they allowed Mexican cartels to take advantage of the opportunity to rearrange themselves and become even stronger and more violent, more complex and diversified. The consequences of the latest anti-drug campaign in Mexico remain to be seen, but if history is any guide, authorities should not expect a stirring success.

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