

Policy Analysis

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Troubled Neighbor

Mexico's Drug Violence Poses a Threat to the United States

by Ted Galen Carpenter

Executive Summary

While U.S. leaders have focused on actual or illusory security threats in distant regions, there is a troubling security problem brewing much closer to home. Violence in Mexico, mostly related to the trade in illegal drugs, has risen sharply in recent years and shows signs of becoming even worse. That violence involves turf fights among the various drug-trafficking organizations as they seek to control access to the lucrative U.S. market. To an increasing extent, the violence also entails fighting between drug traffickers and Mexican military and police forces.

The carnage has already reached the point that the U.S. State Department has issued travel alerts for Americans traveling in Mexico. U.S. tourism to cities on Mexico's border with the United States, where the bloodshed has been the worst, has dropped sharply. Even more troubling, the violence is spilling across the border into communities in the southwestern United States.

U.S. officials, alarmed at the growing power of the Mexican drug cartels, have pressured the government of Felipe Calderón to wage a more vigorous anti-drug campaign. Calderón has responded by giving the army the lead role in efforts to eliminate the drug traffickers instead of relying on federal and local police forces, which have been thor-

oughly corrupted by drug money. Washington has rewarded Calderón's government by implementing the initial stage of the so-called Mérida Initiative. In June 2008, Congress approved a \$400 million installment modeled on Plan Colombia, the anti-drug assistance measure for Colombia and other drug-source countries in the Andean region. That program, now in its ninth year, has already cost more than \$5 billion, without significantly reducing the flow of drugs coming out of South America. The Mérida Initiative will likely cost billions and be equally ineffectual.

Abandoning the prohibitionist model of dealing with the drug problem is the only effective way to stem the violence in Mexico and its spillover into the United States. Other proposed solutions, including preventing the flow of guns from the U.S. to Mexico, establishing tighter control over the border, and (somehow) winning the war on drugs are futile. As long as the prohibitionist strategy is in place, the huge black market premium in illegal drugs will continue, and the lure of that profit, together with the illegality, guarantees that the most ruthless, violence-prone elements will dominate the trade. Ending drug prohibition would de-fund the criminal trafficking organizations and reduce their power.

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Introduction: The Rising Tide of Violence

There has been an alarming spike in violence in Mexico in recent years, most of which is associated with the trafficking in illegal drugs and the efforts of the Mexican government to shut down that trade. The extent of violence was already at a troubling level as early as 2002 and 2003.¹ Since then, though, the situation has dramatically worsened, and the carnage is increasingly impacting communities in the southwestern United States. It has reached the point that it poses a legitimate national security issue for U.S. policymakers.

Although there are nearly a dozen drug-trafficking organizations in Mexico, including seven significant cartels, two groups are especially powerful. One is the Federation (sometimes called the Pacific cartel), an association that emerged from a 2006 accord between the Sinaloa cartel and several secondary trafficking syndicates in and around Mexico's Pacific state of Sinaloa. The Federation's principal rival is the Gulf cartel, based in the city of Matamoros in the Mexican state of Tamaulipas, along the eastern portion of the border with Texas. It has another major base farther west in the city of Nuevo Laredo.² Both groups are extremely violent, with the Gulf cartel having an especially potent cadre of enforcers—the Zetas—who are highly trained anti-drug military personnel who defected to the traffickers.³ A third faction, the Tijuana cartel (once perhaps the most powerful organization), has declined somewhat in recent years as several top leaders have been arrested or killed.⁴ Indeed, over the past six or seven years, the Tijuana cartel has been the frequent target of high-profile police and military operations.

These groups, especially the Gulf cartel and the Federation, battle law enforcement agencies and one another for control of the access corridors to the lucrative U.S. drug market.⁵ An incident in Nuevo Laredo in April 2008 illustrates how brazen the drug traffickers have become. The Gulf cartel's Zetas openly sought recruits to their ranks, posting help-

wanted signs and hanging a giant banner across a major thoroughfare. The banner's message was: "The Zetas want you, soldier or ex-soldier. We offer a good salary, food and benefits for your family. Don't suffer any more mistreatment and don't go hungry."⁶

Even supposed victories in the drug war prove to be mixed blessings at best. As Stratfor, a risk-assessment consulting organization, notes: "Inter-cartel violence tends to swing upward after U.S. or Mexican authorities manage to weaken or disrupt a given organization. At any point, if rival groups sense an organization might not be able to defend its turf, they will swoop in to battle not only the incumbent group, but also each other for control."⁷

The turf battles have been ferocious. In 2005, more than 1,300 people perished in drug-related violence. By 2007, the yearly total had soared to 2,673. And it continues to get worse. By early August 2008, the body count for that year already exceeded the number of fatalities in all of 2007.⁸ By mid-November, some estimates put the toll at more than 4,500.⁹

There have been especially nasty episodes this year. In early May, more than a hundred people were killed in a single week. On Mexico's national day in September, drug gang hitmen tossed two grenades into a packed crowd celebrating the holiday in the city of Morelia, killing eight people and wounding dozens. And over a seven-day period in late October, 50 people died in shootouts or executions in one city alone—Tijuana.¹⁰

Although most victims seem to be participants in the drug trade, several hundred police officers and soldiers have also died in the fighting. Many police personnel feel under siege. In May 2008, three Mexican police chiefs requested political asylum in the United States because of drug cartel threats to them and their families.¹¹ There is a growing number of other casualties as well, including 24 journalists who have been killed execution-style since 2000.¹² Many reporters now flatly refuse to cover stories involving the cartels.¹³ And there are the innocent bystanders who are caught in the crossfire when fights erupt between the drug gangs or between gang members and the

authorities. *Newsweek* correspondent Michael Miller notes that innocent victims just this year include a little girl in Ciudad Juarez, six people in front of a recreation center in the same city, a 14-year-old girl in Acapulco, two small children in Tijuana, and other people who were simply in the wrong place at the wrong time.¹⁴

The violence sometimes takes on especially gruesome characteristics. Victims typically bear signs of extensive torture, and one of the favorite tactics the cartels use when they wish to make an emphatic point is to behead their victims and display those heads in a highly visible place.¹⁵ Two years ago, the heads of a murdered police strike force commander and one of his agents were left jammed onto a fence in front of the police station in the prominent Pacific seaside resort of Acapulco.¹⁶ A short time later, five severed heads were tossed across the dance floor in a nightclub in the state of Michoacan. Others have been left near schools, courthouses, and other government facilities.¹⁷

Pamela Starr, an international relations scholar at the University of Southern California, concludes that the death toll in Mexico is now similar “to a country in the throes of a civil war.”¹⁸ The U.S. State Department warned American travelers in April 2008 that battles between drug-trafficking gangs (and between those gangs and Mexican military and police) in portions of northern Mexico were so severe that they constituted “the equivalent of military small-unit combat and have included use of machine guns and fragmentation grenades.”¹⁹ That warning remains in effect.

The adverse impact of the fighting has been most pronounced in Mexican cities along the border with the United States. In Tijuana, merchants estimate that tourism is down as much as 90 percent from 2005, when an estimated 4 million people visited the city. Half of the downtown businesses—some 2,400 enterprises—have closed their doors in the past three years. *Washington Post* correspondent Manuel Roig-Franzia notes that matters are not much better in the other border cities. Empty markets “have become the norm in Ciudad Juarez” (directly across the border from El Paso), and in Nuevo

Laredo five major hotels have shut down.²⁰ Mexico’s main tourist locales, such as Cancun and Acapulco, have fared significantly better so far, but officials and business leaders are nervous as reports proliferate about the bloodshed afflicting other areas.

Impact on Americans

The turmoil in Mexico is no longer a concern merely to that country. Increasingly, the violence is affecting Americans who travel or do business in Mexico, and there are even a troubling number of incidents in which Mexico-related violence has spilled across the border into the United States itself.

A State Department report released in August 2008 noted that 131 U.S. citizens were victims of homicides or “executions” in Mexico between July 1, 2005, and June 30, 2008.²¹ Most of those victims perished in cities along the U.S.–Mexico border where drug-related fighting has been the most intense. Some of those individuals were undoubtedly involved in the drug trade, but others were not. Indeed, even coming from a prominent family does not seem to guarantee immunity: in June 2008, a female relative of Rep. Silvestre Reyes (D-TX) was kidnapped in Ciudad Juarez, one of the areas in which the drug gangs have been the most active.²²

There are indications that cartel hitmen have struck at individuals inside the United States. In the past two years, seven people were killed execution-style in Laredo, Texas, across the Rio Grande from one of Mexico’s most violent cities, Nuevo Laredo. The victims included a man whom the hitmen stalked and killed near his place of work, and another man whom they gunned down in the parking lot of a popular restaurant. Authorities arrested and convicted two Gulf cartel enforcers for the string of executions.²³ In October 2008, enforcers kidnapped a Las Vegas child because a relative allegedly owed money to one of Mexican drug gangs.²⁴

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on target lists for execution. In June 2008, U.S. Immigration and Customs Enforcement officials obtained what appeared to be a hit list from one of the cartels. The list reportedly named nearly 20 people, primarily individuals living in southern New Mexico, but also in Albuquerque, New Mexico, and El Paso, Texas. The list even included a sheriff's captain in Luna County, New Mexico.²⁵ It has become commonplace for the cartels to publish such lists of Mexican nationals, including police officers, but this was a new level of brazenness.

Even U.S. officials concede that the drug-related violence in Mexico does not respect borders. As early as summer 2005, John P. Walters, director of the Office of National Drug Control Policy during the Bush administration, noted: "The killing of rival traffickers is already spilling across the border. Witnesses are being killed. We do not think the border is a shield."²⁶ In June 2008, Walters again emphasized the spillover feature. "The shocking character of some of this violence, the viciousness of these groups, is not going to respect borders. It already doesn't." Not only does the violence already spill across the border, "it will come more aggressively to wherever it feels it can survive and brutally take money and power."²⁷ A Dallas narcotics officer also cited evidence of a spillover effect. "We're seeing an alarming number of incidents involving the same type of violence that's become all too common in Mexico, right here in Dallas. We're seeing execution-style murders, burned bodies, and outright mayhem . . . It's like the battles being waged in Mexico for turf have reached Dallas."²⁸ Rep. Henry Cuellar (D-TX) reaches a similar conclusion. "If you look at some of the Mexican—the drug cartels'—presence on the U.S. side, it's in Laredo, it's in San Antonio, it's in Houston, Dallas and other areas."²⁹

U.S. law enforcement personnel, especially Border Patrol agents, are increasingly the targets of violence on the U.S. side of the boundary. A 2006 report by the majority staff of the House Homeland Security Committee noted that at one time, smugglers "would drop the drugs or abandon their vehicles when confronted by U.S. law enforcement." That is no

longer the case. "In today's climate, U.S. Border Patrol agents are fired upon from across the river and troopers and sheriff's deputies are subject to attacks with automatic weapons while the cartels retrieve their contraband."³⁰ Some attacks have come from Mexicans wearing military uniforms. It is not certain whether they are smugglers with stolen uniforms or if rogue elements of the Mexican military are attacking U.S. law enforcement personnel on behalf of traffickers.

According to a Department of Homeland Security report, in just the first nine months of 2007, there were 25 incursions by Mexican military or police personnel, some of which were in support of trafficking operations.³¹ Proponents of enhanced border security contend that the situation is much worse than the Department of Homeland Security admits. Rep. Duncan Hunter (R-CA) alleges that there were more than 200 Mexican military incursions into U.S. territory between January 2006 and August 2008.³² Rep. Tom Tancredo (R-CO), commenting on an October 31, 2008, incident in which seven Mexican soldiers were taken into custody near Yuma, Arizona, charged: "This is not an uncommon occurrence. Often times, it is the result of the Mexican military providing cover essentially for drug transportation across into our country, and/or creating a diversion so it will draw our people away from the place where the drugs are coming across."³³ While some of the incursions are probably innocent errors along a border that is not always well marked, others are decidedly suspicious. For example, in early August Mexican military personnel held a U.S. Border Patrol Agent at gunpoint. They retreated back into their own country only when the Patrol dispatched backup agents to the scene.³⁴

An October 2008 FBI intelligence bulletin obtained by the *Washington Times* suggests that the drug syndicates are becoming even more aggressive in their willingness to confront U.S. border patrol agents and other law enforcement officers. The Zetas are reportedly stockpiling weapons in safe houses inside the United States, especially in southern Texas.

The Gulf cartel's regional leader allegedly ordered reinforcements to take up positions in a tactical operations area or "plaza" in the area near the Texas towns of McAllen and Mission, about five miles from the border with Mexico. Those reinforcements were armed with assault rifles, bullet-proof vests, and grenades.³⁵ According to the bulletin, the main responsibility of the reinforcement cells was to "seek out people owing the cartel money for lost, stolen, or seized drug loads or profits." Those people, primarily U.S. residents or citizens, are forced to pay up or are kidnapped. The plaza cells are also "proactively seeking out and eliminating rival drug and alien smuggling groups." Zeta operatives have been instructed to "engage law enforcement with a full tactical response should law enforcement attempt to intervene" in cartel operations in Texas.³⁶

Bogus Solution: Stopping the Flow of Guns into Mexico

The Mexican government has responded to Washington's complaints about the surging violence by blaming supposedly lax U.S. gun laws. Mexico's attorney general, Eduardo Medina Mora, typified that view, saying: "I think American [gun] laws are absurd" because "they make it very easy for citizens to acquire guns."³⁷

Gun control advocates in the United States have taken up the same theme. A *New York Times* editorial encapsulated the logic of strengthening the restrictions on firearms as a way to more effectively wage the war on drugs south of the border. "Mexico has no hope of defeating the traffickers unless this country is also willing to do more to fight the drug war at home—starting with a clear commitment to stop the weapons smugglers."³⁸ University of Southern California scholar Pamela Starr goes even further, arguing that U.S. leaders should focus "on the southward flow of arms and ammunition that is fueling an explosion of drug-related violence in Mexico." She stresses that "an estimated 97 percent of the arms used

by the Mexican cartels—including military-grade grenade launchers and assault weapons—are purchased at sporting goods stores and gun shows on the U.S. side of the border and then smuggled south, according to the Mexican government." Her proposed solution is a "Cabinet-level initiative to attack the illicit gun trade. The departments of Homeland Security, Justice, State, Defense, and Treasury all need to be involved." Echoing the arguments of Mexican political leaders, Starr asserts: "The United States is enabling the bloodshed in Mexico. We have a moral responsibility to stop arming the murderers and kidnappers—our national security demands it."³⁹

Even some U.S. political leaders have accepted the Mexican government's explanation for the surging violence. In June 2008, the Bush and Calderón administrations announced a new program, the *Armas Cruzadas* (Crossed Arms), to stem the flow of guns from the United States to Mexico. Sen. Charles Grassley (R-IA) defended the initiative, saying: "As drugs come into our country, money and illegal firearms go out. We owe it to our neighbors to help cut down on out-bound smuggling."⁴⁰

The notion that the violence in Mexico would subside if the United States had more restrictive laws on firearms is devoid of logic and evidence. Mexican drug gangs would have little trouble obtaining all the guns they desire from black market sources in Mexico and elsewhere. After all, the traffickers make their fortunes operating in a black market involving another product, and they have vast financial resources to purchase whatever they need to conduct their business. Even assuming that the Mexican government's estimate that 97 percent of the weapons used by the cartels come from stores and gun shows in the United States—and Mexican officials are not exactly objective sources for such statistics—the traffickers rely on those outlets simply because they are easier and more convenient, not because there are no other options. One could close every sporting goods store in the southwestern states, and the measure would not disarm the drug gangs. If Washington and the various state governments adopted the fire-

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arms “reforms” that Mexico City is demanding, the principal result would be to inconvenience law-abiding American gun owners and merchants.

Moreover, the research on restrictive gun laws in both U.S. and foreign jurisdictions shows no correlation between tough laws and a decline in homicides and other crimes.⁴¹ Attempts to lay the blame for Mexico’s chaos at the door of U.S. gun laws are either naive or a cynical effort to find a scapegoat. Tightening firearms laws in the United States (even if that were politically feasible) is not a solution to the violence in Mexico.

Bogus Solution: Seal the Border

An increasingly popular measure among Americans to stem drug-related violence seeping into the United States from Mexico is to greatly increase border security.⁴² Proponents tout the alleged effectiveness of measures taken to date, even as they press for stronger initiatives. Representative Hunter combines both themes:

While we have made some progress in recent years toward creating a more enforceable border, we still have a lot of work left to do. Moving forward, we must continue strengthening security through manpower, technology and infrastructure, including the most reliable and effective enforcement tool so far: border security fencing. Much like many other areas of the border today, the land corridor that once existed between Tijuana, Mexico, and San Diego, California, was for many years considered to be the most prolific and dangerous smuggling route in the nation. It was not until I wrote into law the construction of a double border fence that drug smugglers and armed gangs lost control of this corridor and conditions on both sides of the border started to improve.⁴³

What Hunter did not mention is that the traffickers merely moved their preferred transit corridor a little farther to the east, crossing into California in a more remote desert region rather than through the more urbanized, visible, and guarded San Diego metropolitan area. There was no evidence that the fence and increased surveillance did anything more than cause them a slight inconvenience.

Although the principal reason for passage of the Secure Fence Act of 2006 was anger over the flow of undocumented immigrants, concern about the drug trade and the violence accompanying it was also a factor. Representative Hunter was candid about that motive. “Recurring confrontations with Mexican soldiers, much like the drug smugglers and illegal immigrants that attempt to cross into the U.S. through Mexico each day, further illustrate why fencing and other infrastructure remains so important to the security and enforcement of our border.”⁴⁴ A major source of resistance to fully funding anti-drug measures in Mexico has come from members of Congress, including influential Sen. Kay Bailey Hutchison (R-TX), who want more of the money directed to beefing up law enforcement on the U.S. side of the border.⁴⁵

Proposals to seal or “secure” the border with Mexico are unrealistic. The desire for more security along the border is understandable, and some additional steps may be useful, but the logistics of attempting to dramatically reduce incursions along the 1,952-mile land border with Mexico would be prohibitively difficult. Not only would that goal require building the North American equivalent of the Berlin Wall, it would entail stationing tens of thousands of trained law enforcement, and possibly military, personnel to guard it and prevent breaches. Clearly, the more limited measures, such as the existence of flimsy fences and periodic appearances by the U.S. Border Patrol, have not worked. Hundreds of thousands of unauthorized immigrants cross the border into remote sectors of the southwestern states each year. Professional drug traffickers are not going to be stymied by such systems

when ordinary immigrants are not.

Even if it were possible to seal the land border, the trafficking organizations have ingenious ways of coping. On numerous occasions, U.S. authorities have detected tunnels underneath the border. Some of those facilities are incredibly sophisticated, with electric lights, rail lines, and air conditioning.⁴⁶ Controlling the border above ground is no guarantee that it will be controlled below ground.

Aside from the problem of dealing with leakage of drugs and violence through the land border, traffickers can bypass it entirely and enter the United States through the lengthy coastline in the Gulf of Mexico or along the California coast. In addition to using speed boats (the most common method), the Mexican cartels have begun to emulate their Colombian colleagues by utilizing submarines to bring their product to market.⁴⁷ And drug traffickers can circumvent fences and border checkpoints by evading radar and flying over the border in small planes. Indeed, the cartels seem to maintain a veritable fleet of such planes to bring shipments into the United States.⁴⁸

The immensity of the task means that schemes to seal the border are just as futile as the calls to stop the southward flow of guns as a solution to the problems of drug trafficking and drug-related violence. Policymakers must look elsewhere for effective measures. Unfortunately, the most popular proposal is to redouble the effort to win the war on drugs—yet another false panacea.

Bogus Solution: Win the War on Drugs

U.S. policy seems to assume that if the Mexican government can eliminate the top drug lords, their organizations will fall apart, thereby greatly reducing the flow of illegal drugs to the United States. Washington has now backed up that policy with a lucrative aid package, the Mérida Initiative, to help fund law enforcement reforms and other anti-drug efforts. In the summer of 2008, the U.S. Congress approved the first installment (\$400

million) of what is designed to be a \$1.4 billion multi-year program modeled after Plan Colombia, the initiative that began in 2000 for Colombia and its Andean neighbors.⁴⁹ In all likelihood, the price tag of the Mérida Initiative will ultimately exceed \$1.4 billion, just as Plan Colombia has now lasted more than seven years, with cost ballooning to more than \$5 billion.

U.S. officials have rejoiced at the willingness of Mexican President Felipe Calderón's administration to make the drug war—and especially the capture of major trafficking figures—a high priority. The State Department's 2008 *International Narcotics Control Strategy Report* praised Calderón for launching "aggressive operations across Mexico to reassert control over areas that had fallen under the virtual dominion of the drug cartels." The report noted further that Mexican authorities extradited a record 83 fugitives to the United States, including the leader of the Gulf cartel, and had seized more than 48 metric tons of cocaine in 2007, more than twice the amount seized in 2006.⁵⁰

Since Calderón took office in 2006, the Mexican government has for the first time given the military a lead role in combating the traffickers. Approximately 36,000 troops are now involved in that effort, in addition to several thousand federal police officers. The principal outcome of that strategy, however, has been an even greater level of violence, with military personnel increasingly becoming targets. The military also has now been exposed to the temptation of financial corruption that had previously compromised Mexico's local and federal police forces so thoroughly.

Decapitation Strategies Don't Work

The belief that neutralizing Mexican drug kingpins will achieve a lasting reduction in drug trafficking is the same assumption that U.S. officials made with respect to the crack-down on the Medellín and Cali cartels in Colombia during the 1990s. Subsequent developments have shown that assumption to be erroneous. Indeed, an October 2008 report by the Government Accountability Office found

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that while opium poppy cultivation and heroin production in Colombia had declined since the start of Plan Colombia, coca cultivation and cocaine production (the country's principal drug export) had actually *increased* by 15 percent and 4 percent, respectively.⁵¹ The elimination of the Medellín and Cali cartels merely decentralized the Colombian drug trade. Instead of two large organizations controlling the trade, today some 300 smaller, loosely organized groups do so.

More to the point, the arrests and killings of numerous top drug lords in both Colombia and Mexico over the years have not had a meaningful impact on the quantity of drugs entering the United States. Cutting off one head of the drug-smuggling Hydra merely results in more heads taking its place.

Indeed, one might wonder how serious Mexico's anti-drug campaign will be in the long run. U.S. leaders held out hopes that Calderón's predecessor, Vicente Fox, would disrupt the trade. Similar hopes were invested in earlier Mexican administrations, but a noticeable pattern emerged in all of those cases. Early on, new Mexican presidents typically went out of their way to impress on U.S. policymakers that they were serious about cooperating with Washington and taking on the drug lords. Then, within a few years, the efforts dwindled into futility marked by official corruption.

The Problem of Corruption

The corruption factor makes it especially unlikely that Calderón will make any more lasting progress than previous administrations against the drug trade. Several major scandals have surfaced in just the past year. In April 2008, authorities arrested the police chief of Reynosa for allegedly protecting members of the Gulf cartel.⁵² In October, prosecutors charged that employees of the federal Attorney General's office were working for a subunit of the Sinaloa cartel. Two top employees of the organized crime unit and at least three federal police agents assigned to it were allegedly passing information to the cartel regarding surveillance targets and potential raids. They supposedly

received payments of between \$150,000 and \$450,000 *per month* for their information.⁵³ Less than two weeks later, prosecutors announced that Rodolfo de la Guardia Garcia, the number-two official in Mexico's Federal Bureau of Investigation from 2003 to 2005, had been placed under house arrest pending an investigation into allegations that he, too, had leaked information to the Sinaloa cartel.⁵⁴ The scandals continued in late November, when the government announced the arrest of Noé Ramírez, who, until July 2008, was the chief of the Special Organized Crime Investigation Division, for allegedly taking bribes from traffickers.⁵⁵ Ramírez had been President Calderón's highly regarded drug policy czar and the chief liaison with U.S. anti-drug officials.

The size of the alleged payoffs underscores why Mexican law enforcement personnel are so susceptible to corruption by the cartels. By cooperating with the drug trafficking syndicates, those individuals can earn more—often far more—in a single month than they could ever hope to earn in their legal jobs in years—and in some cases, more than they could earn in decades.⁵⁶ Such temptation is hard to resist. According to a former mid-level Tijuana policeman: "There is barely a Mexican police officer along the U.S. border who isn't involved in the drug trade. Even if you try to resist, your superiors pressure you into it or sideline you."⁵⁷ He had resigned from the force after personally witnessing his commander receive a \$5,000 bribe to ignore drug smuggling in his sector.

Not surprisingly, drug-related corruption, ranging from low-echelon police officers to the highest-level officials, has had a long history in Mexico. During the 1990s, the National Police Commander was caught with \$2.4 million in the trunk of his car. Later he was convicted of giving more than \$20 million to another government official to buy protection for one of Mexico's most notorious drug lords.⁵⁸ Perhaps the most embarrassing incident prior to the recent Ramírez arrest occurred in the mid-1990s when President Ernesto Zedillo appointed General José de Jesús Gutiérrez Rebollo to be Mexico's new

drug czar. The general seemed to have excellent drug-fighting credentials, having personally led a much-publicized raid against the head of the Sinaloa cartel. U.S. officials greeted Gutiérrez Rebollo's appointment enthusiastically. U.S. drug czar Barry McCaffrey gushed: "He has a reputation for impeccable integrity. . . . He's a deadly serious guy."⁵⁹ Three months later, the Mexican government announced that its new drug czar was in a maximum-security prison, charged with taking bribes and protecting the nation's largest drug trafficker. The general had indeed been tough on drug trafficking—tough, that is, on organizations that competed with his patron's cartel.

The latest scandal in Mexico's Attorney General's office, though, suggests that drug-related corruption may not be confined to Mexican government agencies. One of the suspects in that episode has reportedly told investigators that he paid a spy in the U.S. embassy for information on the U.S. Drug Enforcement Administration operations in Mexico.⁶⁰

Drug warriors in both Mexico and the United States repeatedly rationalize unpleasant revelations regarding corruption. For example, when Noé Ramírez was arrested, Thomas Schweich, former deputy assistant secretary of state for international law enforcement, stated: "I find the whole situation encouraging. If you are a corrupt official, you are no longer immune to prosecution no matter how high up you are. It shows a lot of political will on the part of Calderón."⁶¹ The bizarre logic that the worse things get, the better they really are is not confined to the corruption issue; it extends to the surging violence as well. A recent article in the *Economist* noted that at least 4,000 people had been murdered in 2008 in incidents involving traffickers. "Officials say that is a sign that government pressure [on the drug gangs] is having an effect."⁶² The reality is that bad developments are usually just bad developments, and they point to a deteriorating—not an improving—situation.

It is not surprising that supply-side anti-drug initiatives have failed in Colombia and other countries and are now failing in Mexico.

The global trade in illegal drugs is a vast, extremely lucrative enterprise, estimated at \$320 billion a year, with Mexico's share of that trade generally thought to be about \$25–35 billion.⁶³ The United States is the largest single retail market, but U.S. demand is not the only relevant factor. The American market is actually relatively mature, with overall consumption not substantially different from what it was a decade or two decades ago. The main areas of demand growth are in Eastern Europe, the successor states of the former Soviet Union, and some portions of the Middle East and Latin America. According to the United Nations, there has been a noticeable increase in the consumption of opiates throughout Eastern Europe and Central Asia, especially the former Soviet states. In Western Europe, the principal increase has been in the use of cocaine.⁶⁴ In the Middle East, even such a politically authoritarian and religiously conservative society as Iran is witnessing a surge in both drug trafficking and drug use, especially of heroin. That problem has reached the point that the Supreme Leader's representative in one province has labeled drug abuse and trafficking to be the Iranian society's "thorniest problem."⁶⁵ The bottom line is that the demand for illegal drugs on a global basis is robust and is likely to remain so.

Robust Consumer Demand Makes Victory Impossible

That sobering reality has ominous implications for the strategy that advocates of a "war on drugs" continue to push. Their strategy has long had two major components. The first is to shut off the flow of drugs coming from drug-source countries, through various methods of drug crop eradication, developmental aid to promote alternative economic opportunities, interdiction of drug shipments, and suppression of money-laundering activities. The second component is to significantly reduce demand in the United States through a combination of criminal sanctions, drug treatment programs, and anti-drug educational campaigns.

At best, efforts at domestic demand reduc-

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tion have achieved only modest results, and the supply-side campaign has been even less effective. Moreover, with global demand continuing to increase, even if drug warriors succeeded in their goal of more substantially reducing consumption in the United States, it would have little adverse impact on trafficking organizations. There is more than enough demand globally to attract and sustain traffickers who are willing to take the risks to satisfy that demand. And since the illegality of the trade creates a huge black market premium (depending on the drug, 90 percent or more of the retail price), the potential profits to drug trafficking organizations are huge.⁶⁶ Thus, the supply-side strategy attempts to defy the basic laws of economics, with predictable results. It is a fatally flawed strategy, and Washington's insistence on continuing it causes serious problems of corruption and violence for a key drug-source and drug-transiting country such as Mexico.

Thus, the notion that the solution to the violence in Mexico is to win the war on drugs is as much a chimera as the other two so-called solutions. Given the healthy state of global demand, there is no prospect of ending—or even substantially reducing—the trade in illegal drugs. There is only one policy change that would have a meaningful impact.

The Only Real Solution

The brutal reality is that prohibitionism simply drives commerce in a product underground, creating an enormous black-market potential profit that attracts violence-prone, criminal elements. Even the U.S. State Department has conceded that point, although it remains blindly committed to a prohibitionist strategy.

Drug organizations possess and wield the ultimate instrument of corruption: money. The drug trade has access to almost unimaginable quantities of it. No commodity is so widely available, so cheap to produce, and as easily

renewable as illegal drugs. They offer dazzling profit margins that allow criminals to generate illicit revenues on a scale without historical precedent.⁶⁷

Governments around the world seem to be awakening to the problems caused by a strict prohibitionist strategy. Such countries as the Netherlands and Portugal have adopted decriminalization measures (de facto or de jure) for possession and use of small quantities of drugs.⁶⁸ That view is taking hold in the Western Hemisphere as well. The president of Argentina has endorsed the decriminalization of drug consumption, and the president of Honduras has gone even further, embracing the legalization of drug use.⁶⁹ Indeed, that sentiment seems to be growing in Mexico itself. The PRD (Party of the Democratic Revolution), the country's largest opposition party, has called for drug legalization, and even President Calderón has proposed decriminalizing the possession of small amounts of street drugs.⁷⁰

Those proposals are modest steps in the right direction, and they certainly are more sensible than Washington's knee-jerk support for comprehensive prohibition. Legalizing, or even decriminalizing, drug possession has the beneficial effect of not stigmatizing (and sometimes ruining) the lives of users. And such reforms have the salutary effect of not filling prisons with nonviolent offenders. But even those desirable reforms do not get to the root cause of the violence that accompanies the drug trade. Unless the production and sale of drugs is also legalized, the black-market premium will still exist and law-abiding businesses will still stay away from the trade. In other words, drug commerce will remain in the hands of criminal elements that do not shrink from engaging in bribery, intimidation, and murder.

Because of its proximity to the huge U.S. market, Mexico will continue to be a cockpit for that drug-related violence. By its domestic commitment to prohibition, the United States is creating the risk that the drug cartels may become powerful enough to destabilize its southern neighbor. Their impact on

Mexico's government and society has already reached worrisome levels. Worst of all, the carnage associated with the black market trade in drugs does not respect national boundaries. The frightening violence now convulsing Mexico could become a routine feature of life in American communities, as the cartels begin to flex their muscles north of the border.

When the United States and other countries ponder whether to persist in a strategy of drug prohibition, they need to consider all of the potential societal costs, both domestically and internationally.⁷¹ Drug abuse is certainly a major public health problem, and its societal costs are considerable. But banning the drug trade creates economic distortions and an opportunity for some of the most unsavory elements to gain dominant positions. Drug prohibition leads inevitably to an orgy of corruption and violence. Those are even worse societal costs, and that reality is now becoming all too evident in Mexico.

The only feasible strategy to counter the mounting turmoil in Mexico is to drastically reduce the potential revenue flows to the trafficking organizations. In other words, the United States needs to de-fund the cartels through the legalization of currently illegal drugs. If Washington abandoned the prohibition model, it is very likely that other countries in the international community would do the same. At that point, the profit margins for the drug trade would be similar to the margins for other legal commodities, and legitimate business personnel would become the principal players. That is precisely what happened when the United States ended its quixotic crusade against alcohol in 1933. To help reverse the burgeoning tragedy of drug-related violence in Mexico, Washington needs to adopt a similar course today.

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