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Undermining Mexico's Dangerous Drug Cartels

by Ted Galen Carpenter

Executive Summary

Since President Felipe Calderón launched a military-led offensive against Mexico's powerful drug cartels in December 2006, some 42,000 people have perished. The situation is so bad that the Mexican government's authority in several portions of the country, especially along the border with the United States, is shaky, and the growing turbulence creates concerns that Mexico is in danger of becoming a failed state. Although such fears are excessive at this point, even that dire scenario can no longer be ruled out.

U.S. political leaders and the American people also worry that Mexico's corruption and violence is seeping across the border into the United States. That danger is still fairly limited, but the trend is ominous. Both the number and severity of incidents along the border are rising.

Experts propose several strategies for dealing with Mexico's drug violence. One suggestion is to apply the model used earlier to defeat the Colombian drug cartels. But the victory in Colombia is not as complete as proponents contend,

and the situation in Mexico is far less favorable to using that strategy. Another suggested approach is to try to restore Mexico's status quo ante, in which the government largely looked the other way while drug traffickers sent their product to the United States. But too much has changed politically in Mexico for that approach, which would be only a temporary Band-Aid solution in any case.

The only lasting, effective strategy is to defund the Mexican drug cartels. Reducing their billions of dollars in revenue requires the United States, as the principal consumer market for illegal drugs, to abandon its failed prohibition policy. That move would eliminate the lucrative black-market premium and greatly reduce the financial resources the cartels have available to bribe officials or hire enforcers to kill competitors and law enforcement personnel and intimidate the Mexican people. A refusal to abandon prohibition means that Mexico's agony will likely worsen and pose a significant security problem for the United States.

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The victims in Mexico's increasingly chaotic, violent drug war come from all walks of life, including police officers, soldiers, and elected officials.

Introduction: Mexico's Agony and Washington's Worry

Jaime Zapata, a special agent for U.S. Immigration and Customs Enforcement (ICE) dealing with issues of drug smuggling, was on assignment at the U.S. embassy in Mexico City from his normal post in Laredo, Texas. On Valentine's Day 2011, Zapata and another ICE agent were returning to the capital after meeting with law enforcement officials in the northern state of San Luis Potosí. The two agents were traveling along a federal highway in their SUV when they were stopped at what appeared to be a military checkpoint. Such checkpoints have become routine, especially in northern Mexico, where the war between the government of President Felipe Calderón and several drug cartels rages with special intensity.

In this case, though, the armed men at the checkpoint were not government troops but soldiers of one of the most powerful and ruthless cartels, the dreaded Zetas. As soon as Zapata and his partner slowed their vehicle, the gunmen opened fire, killing Zapata and seriously wounding the other agent.

The two men had become the latest victims in Mexico's increasingly chaotic, violent drug war. But they are hardly the only ones. At the time of their encounter with the Zetas, the death toll since Calderón launched his military-led offensive against the drug traffickers in December 2006 had already climbed to nearly 35,000.¹ By some estimates, it is now more than 42,000.

The victims come from all walks of life. A majority are participants (usually at the lowest levels) in the multi-billion-dollar trade in illegal drugs—everything from marijuana to cocaine to methamphetamine. But others are police officers and soldiers tasked with bringing down the cartels. Still other victims include appointed or elected officials, who increasingly face an ultimatum from the crime syndicates: *plata o plomo?* (silver or

lead?). In other words, take a bribe or risk assassination. All too many officials who refuse to be corrupted pay for that decision with their lives.

The drug gangs have become bold enough to target even the most prominent political leaders. Rodolfo Torre Cantú, the nominee of Mexico's Institutional Revolutionary Party (PRI), was the overwhelming favorite to be the next governor of the important northern border state of Tamaulipas (just south of Brownsville, Texas) in the July 2010 elections. He was even regarded as a rising political star with possible national ambitions. In late June, though, gunmen ambushed his motorcade on the road to the airport outside Ciudad Victoria, the state capital. The attackers sent a hail of bullets into their target, killing Torre as well as several aides and bodyguards. It was a sophisticated operation worthy of an elite military unit, but these assassins were professional killers working for one of the cartels.²

That incident came on the heels of another episode that shook Mexico's political establishment. Just a few weeks before Torre Cantú's assassination, Diego Fernández de Cevallos was abducted while driving from his home in Mexico City to a ranch that he owned three hours away. His white SUV was found the next day on an unpaved country road near his ranch, with blood stains on the front seat.

What made that abduction so frightening was the identity of the victim. Fernández de Cevallos had been the National Action Party (PAN) candidate for president in 1994. The PAN is the current governing party, led by President Calderón, and Fernández de Cevallos remained one of the most visible political figures in Mexico. A comparable event in the United States would be if the mafia had kidnapped Al Gore or Bob Dole. Although Fernández de Cevallos was ultimately released (reportedly after his family paid a huge ransom), the message to Mexico's political and economic elite was clear: no one is immune from the power of the drug cartels.³

And while the chaos is worst in the border cities, such as Tijuana and Ciudad Juárez, which lie along the main drug trafficking routes into the United States, that plague is spreading to previously quiet areas. Throughout the 1990s and the early years of the following decade, Mexico's chief industrial city, Monterrey, was thought to be virtually immune from the damage that turf fights between the drug gangs caused in such places as Tijuana and Nuevo Laredo. Television journalist Sam Quiñones, who had lived in Monterrey for a decade until 2004, recalled wistfully that it "was the safest region in the country when I lived there, thanks to its robust economy and the sturdy social control of an industrial elite."⁴ An international consulting group in early 2005 even named Monterrey the safest city in all of Latin America.

Just how far Monterrey has descended into the abyss of drug violence became evident in July 2010, when authorities uncovered a dump site east of the city, in the township of Benito Juárez. Excavations soon revealed that there were at least 51 bodies—some intact and others in pieces—buried at the site.⁵ That made the Monterrey dumping ground the second biggest mass grave uncovered in Mexico's drug wars. Fears of kidnappings have swept affluent neighborhoods in the city, and orders for bullet-proof limousines and private security guards have soared.

Even prominent resort areas such as Cancún and Acapulco are no longer immune. Acapulco especially is beginning to resemble the bloody border cities. Any doubt on that score evaporated in April 2010 when a wild shootout took place in broad daylight on the main boulevard in Acapulco's principal tourist area that left six people dead and dozens more dashing for cover. The violence has reached the point that sarcastic residents now refer to the city as *Narcopulco*.⁶ And it continues to get worse. During a single weekend in early January 2011, police discovered 30 bodies, 16 of which were found without their heads, in and around Acapulco.⁷

A Troubled Neighbor and Fears of Violence Spreading Over the Border

There is a growing, hotly contested debate about two important issues. First, is the carnage in Mexico reaching the point that the country is in danger of becoming a "failed state"? Second, is the drug-related corruption and violence in Mexico a problem only for that country, or is it now seeping over the border and posing a national security threat to the United States? Neither question has an easy answer.

And the most important questions of all now confront officials in both Mexico City and Washington. Can the growing power of the cartels be reversed? And if it can, what is the most effective strategy for doing so?

Mexico as a Possible Failed State

Allegations that their country could possibly become a failed state infuriate Mexican officials. In a March 2009 speech, President Calderón scorned those who suggested that his country was in danger of that awful fate. "It is absolutely false, absurd that anyone indicate that Mexico does not have control over one single part of its national territory," Calderón fumed. "I challenge anyone who says that to tell me what part of the country they want to go to, and I will take that person there."⁸

Respected U.S. observers echo his views. Former Drug Enforcement Administration chief Robert C. Bonner dismisses the failed-state theory. He acknowledges that the spike in killings during Calderón's presidency "has led some to conclude that the violence in Mexico is out of control. Others have suggested that the country is on the verge of becoming a 'failed state' (or in the words of a 2008 U.S. military report, at risk of 'rapid and sudden collapse.')" But he concludes: "The former is a gross exaggeration, and the latter is simply untrue."⁹ According to Council on Foreign Relations scholar Shannon O'Neil:

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A number of business and political elites are so worried about the security environment that they have sent their loved ones out of the country.

The question is not whether the Mexican state will fail. It will not. The Mexican state does, and will continue to, collect taxes, run schools, repair roads, pay salaries, and manage large social programs throughout the country. The civilian-controlled military has already extinguished any real guerrilla threats. The government regularly holds free and fair elections, and its legitimacy, in the eyes of its citizens and of the world, is not questioned.¹⁰

George W. Grayson, a prominent U.S. expert on Mexico, argues that “only a Cassandra in a deep funk could conclude that Mexico will implode as is possible in Afghanistan or Pakistan. There are too many factors . . . to let this happen.” Yet in the next breath, Grayson emphasizes that “Calderón and his successors must act to prevent ungovernability in cities like Ciudad Juárez and Tijuana, and in states like Guerrero, Durango, Sinaloa, and Michoacán.”¹¹ That’s a rather large and important chunk of the country—some 15 percent of Mexico’s territory, including such major tourist destinations as Acapulco and Mazatlan.

There are other worrisome indicators. One of the earliest warning signals that a country has at least the potential to become a failed state is when members of the business and political elites are so worried about the security environment that they send their loved ones out of the country. Mexico may have entered that stage, since there are numerous and growing examples of prominent figures acting in that manner. A case that received considerable attention in Mexico in late 2009 was the admission by Mauricio Fernández, mayor of the affluent Monterrey suburb of San Pedro Garza García, that he had sent his family to live in the United States while he ran for office. They remained in the United States, he admitted, because “right now things are not safe enough for them to return.”¹²

Alejandro Junco de la Vega runs *Grupo Re-*

forma, the largest print-media company, not only in Mexico, but in all of Latin America. Yet this media mogul moved his family to Texas in 2008 because of growing personal threats from drug cartel operatives. And in the United States they stay.

In the worst centers of violence, such as Ciudad Juárez and Tijuana, there are unmistakable signs of an even more worrisome precursor of a failed state: large numbers of upper-class and middle-class families exiting the country. Since late 2008, the number of abandoned homes in Juárez, many in previously affluent neighborhoods, has skyrocketed. The number is growing so fast that officials have trouble keeping track.

Despite these developments, fears that Mexico is on the brink of becoming a Latin American version of Somalia are overblown. The country still has a number of institutional strengths, including entrenched, well-organized political parties; a sizable, influential business community; a significant military establishment; and an especially powerful moral force—the Roman Catholic Church. Such institutions are largely absent—or at least are far weaker—in countries that have become failed states or are at risk of doing so. Mexico’s major political, economic, and religious players are not likely to capitulate and cede the field to the drug traffickers. Yet the overall trend is troubling. Even an outspoken skeptic of the failed-state thesis like Bonner admits that “Mexico is in the throes of a battle against powerful drug cartels, the outcome of which will determine who controls the country’s law enforcement, judicial, and political institutions.”¹³ The prospect of violent criminal organizations controlling the principal institutions of the state is not all that far removed from a failed-state scenario.

A Spillover of Violence into the United States: Myth or Reality?

Worries about the extent of a spillover impact on the United States have generated even more controversy. There is no doubt that U.S. officials are deeply concerned

about such a scenario. At the moment, the greatest worry is about Americans who live or work in Mexico—including U.S. government officials. Investigators speculated that the Zetas may have targeted the vehicle carrying Jaime Zapata and his partner because they were U.S. law enforcement personnel.

An earlier incident in Ciudad Juárez raised similar suspicions. In March 2010, an American citizen, Lesley Enriquez Redelfs, an employee of the U.S. consulate there, was shot to death in her car along with her husband, Arthur, also an American citizen, in broad daylight after leaving a children's party sponsored by the U.S. Consul. The husband of another consular employee was killed and their two children seriously wounded on the same day in a separate drive-by shooting.

Two killings of individuals connected with the U.S. consulate in such a brief period suggested that the incidents were not random killings or cases of mistaken identity. The subsequent investigation, though, created more doubt than clarification. When apprehended later, one of the assassins contended that Arthur Redelfs, a deputy at the El Paso jail, was the real target, allegedly because he mistreated gang members in his custody.¹⁴

But when Mexican authorities arrested the alleged mastermind of the hit, Jesús Ernesto Chávez, in early July 2010, he told them Lesley was the target, and that he ordered her killed because she had been illegally supplying U.S. visas to members of a rival gang. U.S. officials immediately discounted Chávez's allegation, and there was no evidence that she had even been in a position to approve such visas.¹⁵ But if the enforcers for the Juárez cartel *believed* that she had done so, that could have been sufficient motive to order her assassination.

Evidence also surfaced during the investigations indicating that the attacks may have been intended to send a warning to the U.S. consulate in response to Washington's push to place U.S. drug intelligence officers within the Juárez police department. Further indications that a strategy of attacking

U.S. government personnel and installations might be underway occurred in early April 2010, when assailants tossed an explosive device at the U.S. consulate in Nuevo Laredo. And then the attacks on the ICE agents took place, providing the strongest indication yet that the drug cartels might be targeting U.S. diplomatic and law enforcement figures.

Ordinary American civilians also are more frequently getting caught in the crossfire when they travel or work in parts of Mexico. Kidnapping incidents, especially those involving Americans of Mexican heritage, are on the rise. Worries about U.S. military personnel being put at excessive risk while spending furloughs south of the border have caused base commanders to declare some cities, especially Tijuana and Juárez, off-limits.

An especially horrific case of what can happen to Americans who run afoul of the cartels occurred in Ciudad Juárez, where a seven-year old Texas boy, Raúl Ramírez, was killed while visiting his father. Gunmen attacked the vehicle his father was driving, firing at least 18 rounds from 9mm weapons. The elder Ramírez died in the vehicle. Raúl escaped the car and tried to flee, but was shot in the back. Police were uncertain whether the attackers thought that his father was involved in the drug trade, but the incident had all the characteristics of a cartel hit, and Raúl was an innocent victim in any case.

U.S. officials also fret that the cartels may be targeting Americans even on U.S. soil. Following a major nationwide anti-drug raid in June 2010, Kevin L. Perkins, assistant director of the FBI's Criminal Investigation Division told reporters that "drug trafficking across the U.S. southwest border" was not only leading to a "surge of drugs in our neighborhoods across the country," but was leading to "increased border violence, kidnapping, extortion and human smuggling."¹⁶

The cartels are clearly expanding their operations north of the border, either directly or by forging ties with American affiliates. Corruption is also migrating northward. Not surprisingly, the Customs and Border

The drug cartels might be targeting U.S. diplomatic and law enforcement figures, but ordinary Americans also are at risk when they travel or work in parts of Mexico.

Mexican domination of the drug trade in the United States carries the risk that turf battles in Mexico could become proxy wars in U.S. communities.

Protection agency is a high-priority target for trafficking organizations that seek to undermine or seduce law enforcement personnel. And they have been successful. James Tomsheck, the assistant commissioner for internal affairs at Customs and Border Protection, confirmed that investigators “had seen many signs that drug organizations were making a concerted effort” to infiltrate the agency’s ranks. “There have been verifiable instances,” Tomsheck stated, “where people were directed to C.B.P. to apply for positions only for the purpose of enhancing the goals of criminal organizations.”¹⁷ Most of those individuals were selected because they had no criminal records, which meant that they could pass a background check with little problem.

But has the violence that is so plaguing Mexico also come over the Rio Grande? The evidence is less clear on that point. The increasing Mexican domination of all phases of the drug trade in the United States certainly carries with it the risk that the turf battles in Mexico between rival cartels could become proxy wars in U.S. communities. There are some indications that such struggles may already be underway. In at least three cases, members of the La Familia cartel kidnapped competing drug dealers in Houston and held them for ransom. Similar events have occurred in Phoenix, Las Vegas, and other U.S. cities.

Some experts, though, insist that allegations of a serious spillover effect are exaggerated. Gabriel Arana, writing in the *Nation*, contends that “if media reports are to be believed, an Armageddon-like rash of drug-related violence” has “crossed from Mexico into the United States.” He responds that “the numbers tell a different story.”¹⁸

Other analysts reach a similar conclusion, noting that some southwestern U.S. cities, including El Paso, Juárez’s sister city, have violent crime rates lower than the national average. *New York Times* writer Andrew Rice, who spent weeks in early 2011 studying the effect of the drug violence in Juárez on El Paso, concludes that “spillover was

notable for its scarcity.” He notes further that while Juárez suffered more than 3,000 homicides in 2010, El Paso—a city of some 600,000 people—had an astonishingly low total of five.¹⁹

Nevertheless, there are some worrisome signs. Cartel threats against U.S. law enforcement personnel are escalating. Police in Nogales, Arizona, went on heightened alert in June 2010 after receiving a threat, relayed through an informant, that officers would be targeted if they continued to carry out drug busts while off duty. Apparently traffickers considered it within the rules of the game for police to engage in such raids as part of their job when they were on duty, but that it was a gratuitous affront to do so on other occasions. When off duty, the cartel warned, police were to look the other way and ignore any drug shipments that came across the border, if they valued their lives.²⁰

Perhaps the most jarring incident occurred in early August 2010, when reports surfaced that a Mexican cartel had put a \$1 million bounty on the life of Arizona sheriff Joe Arpaio, the colorful and controversial chief lawman in Maricopa County (which includes Phoenix and many of its suburbs). The threat originated in Mexico and was conveyed via a disposable cell phone—standard operating procedure for all of the drug gangs.²¹

There is no doubt that the Mexican cartels loathe the man. His department is one of the most active in the southwestern states in intercepting drug shipments. Consequently, state and federal law enforcement agencies took the threat against Arpaio’s life quite seriously. They did so perhaps even more than usual in the summer of 2010, because just weeks earlier, the Drug Enforcement Administration had warned that the cartels were about to take their war from Mexico north of the border and attack U.S. law enforcement personnel.

An incident in August 2009 confirmed that cartel enforcers are already operating in the United States against rivals, even in generally peaceful El Paso. Police announced the

arrest of three men and charged them with capital murder in what was apparently the contract killing of José Daniel González Galeana, a lieutenant in the Juárez cartel. Killers shot him to death in the front yard of his elegant Mediterranean-style home. And they clearly took no chances with their task—shooting him eight times at close range.

That case was especially troubling. First, González Galeana did not operate out of Juárez, but instead lived in a quiet, upscale neighborhood in El Paso, where he ran several ostensibly legal businesses. Second, one of the accused hit men was a U.S. Army private based at Ft. Bliss, suggesting that the cartels may now be trying to infiltrate the U.S. military.²² Such an achievement could give the drug lords a new source of highly trained assassins—and U.S. citizens, who would be especially useful for going after targets inside the United States.

For some communities directly along the border, there are already very direct spillover effects. Officials and residents in El Paso were badly shaken in late June 2010 when seven bullets struck the upper floors of city hall. Apparently, the shots came from an altercation in Juárez, and it was possible that Mexican federal agents may have fired the stray bullets. But whatever the details, the incident was a chilling reminder that Mexico's violence was no longer confined to Mexican territory.

Ranchers and farmers in the borderlands of Arizona, New Mexico, and Texas have complained for several years that smugglers and illegal immigrants use their properties with impunity as routes to enter the United States. And the level of fear is rising as more and more of the uninvited seem to be involved in drug smuggling or human trafficking, rather than being ordinary people looking for work and a better life in the United States.

Matters came to a head in March 2010 when Robert Krentz, a 58-year-old rancher near Douglas, Arizona, was found murdered. Authorities quickly concluded that an intruder from Mexico was the perpetra-

tor. Tracks at the murder scene led back over the border into Mexico, and Krentz's ranch had long been an active route for illegal immigrants and drug shipments. He probably stumbled upon a scout for a trafficking shipment and paid for that encounter with his life. Since the Krentz episode, complaints from farmers and ranchers along the border about brazen intimidation by apparent cartel enforcers have been building to a crescendo.²³

Another worrisome indicator emerged in August 2010, when the federal government posted signs along a 60-mile stretch of Interstate 8 between Casa Grande and Gila Bend, Arizona, more than 100 miles north of the border with Mexico. The signs warn motorists that they are entering an "active drug and human smuggling area," where they may encounter "armed criminals and smuggling vehicles traveling at high rates of speed." Pinal County sheriff Paul Babeu, whose jurisdiction is in the heart of that smuggling route, goes further than the federal warning signs, contending that he and his deputies are totally outnumbered and outgunned. "Mexican drug cartels literally do control parts of Arizona," Babeu stated.²⁴

Such developments may be a harbinger of deterioration of the security situation on our southern border. At a minimum, that possibility deserves to be taken seriously.

Economic Realities and the Mexican Cartels

The robust nature of global consumption of illegal drugs makes efforts to combat traffickers in Mexico and other source countries at best a brutally uphill struggle, and at worst a futile, utopian crusade. The trade in illicit drugs is estimated to be at least \$320 billion a year—and the actual amount could be much larger. Mexico is now the single most important theater in that commerce. That country is involved in almost every phase of the illegal drug trade, and dominates many of those phases. Mexico is a ma-

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For example, a large region in southern Chihuahua, along the borders with Sinaloa and Durango, is now often termed Mexico's Golden Triangle—reminiscent of the same term for the opium-producing center in Southeast Asia. One-third of the population in Mexico's version of the Golden Triangle is estimated to receive its primary income from the illegal drug trade.²⁵

Mexican traffickers also still derive considerable revenues from transporting and distributing cocaine and other drugs from the Andean countries, which were formerly the dominant players in the trade. And Mexican entrepreneurs have become the leading purveyors of methamphetamine, perhaps the fastest-growing drug in popularity in retail markets in the United States and some other countries. All in all, the Mexican cartels control a major chunk of the \$300-plus billion-a-year commerce.

The frustration of Mexican officials at the extent of the demand in the United States repeatedly boils over. President Calderón fumed that the demand is strengthening the cartels and fueling the violence in his country. In a June 2010 manifesto justifying his administration's military-led offensive against traffickers, Calderón asserted that "the origin of our problem of violence lies primarily with the fact that Mexico is located next to the country that has the biggest consumption of drugs worldwide. It is as if we had a neighbor next door who is the biggest addict in the world, with the aggravating factor that everyone wants to sell drugs through our house."²⁶ The cartels had grown rich and bold, he wrote, because of billions of dollars in profits flowing to them from U.S. consumers.²⁷ U.S. officials adopt a similar view. "Our insatiable demand for illegal drugs fuels the drug trade," Secretary of State Hillary Clinton told her Mexican hosts in March 2009.²⁸

Yet U.S. demand is only one part of the equation. Even a dedicated drug warrior like Robert Bonner concedes that point, noting that the major markets for the Mexican car-

tels "are not just in the United States but also in Mexico itself and as far away as Europe."²⁹ Bonner actually understates the breadth of the problem. The Mexican organizations are taking control of trafficking routes and gaining access to potential markets in portions of Sub-Saharan Africa and the Middle East, as well as in Europe.

Although the United States is the largest single retail market in the world, it 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.³⁰ 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. Several years ago, that problem had already reached the point that the Supreme Leader's representative in one province labeled drug abuse and trafficking as Iranian society's "thorniest problem."³¹

The bottom line is that global demand for illegal drugs is robust and is likely to remain so. Drug cartels are profit-maximizing businesses, and the growth in demand outside the United States creates an irresistible opportunity. As long as the worldwide prohibition policy remains intact, there will be more than enough potential profits to keep the Mexican cartels in business. Only if the United States abandons prohibition will at least some of the governments in other major markets follow suit, thereby dramatically reducing the revenues available to the cartels.

In 2009, the Gulf cartel concluded that market opportunities in Europe, combined with the euro's strength against the U.S. dollar, justified establishing a more exten-

sive organizational presence on that continent. Among other steps, the cartel formed an alliance with Italy's powerful Ndrangheta organized-crime group.³²

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 reduction 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 only a limited 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 astronomical. 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.

Alternative Strategies to Combat the Cartels

The long record of unsatisfactory results

raises the question of whether the current strategy—or an enhanced version—has any chance of defeating the Mexican drug cartels. Drug warriors contend that the strategy can work, and they point to developments in another leading drug-source country, Colombia, as a model of what can be accomplished—and what should be done—in Mexico.³³ Two questions immediately arise: Is Colombia really a shining beacon of success in the war on drugs, as admirers assert? And even if it is, are the conditions in Mexico sufficiently similar so that Colombia's success could be replicated there? There are major doubts about both points.

Colombia: Model or Illusion?

Robert Bonner makes one of the stronger arguments that Mexico can dampen the drug-related violence the same way Colombia did. His assertion is straightforward and optimistic:

Destroying the drug cartels is not an impossible task. Two decades ago, Colombia was faced with a similar—and in many ways more daunting—challenge. In the early 1990s, many Colombians, including police officers, judges, presidential candidates, and journalists, were assassinated by the most powerful and fearsome drug-trafficking organizations the world has ever seen: the Cali and Medellín cartels. Yet within a decade, the Colombian government defeated them, with Washington's help.³⁴

Bonner is correct—as far as he goes. But the success story in Colombia is neither as simple, nor as complete, as he and others who make similar arguments want us to believe.

The overall level of violence in Colombia during the 1980s and early 1990s was indeed even greater than it is in Mexico today. But the context was different in crucial ways. Although much of the violence came from the drug cartels, especially after the Medellín

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cartel declared war on the Colombian state in 1984 and drug lord Pablo Escobar surged to the height of his power, the drug traffickers were not the only source. There was also a political and ideological war being waged between the Colombian government and two radical leftist insurgent groups, the Revolutionary Armed Forces of Colombia (FARC) and the smaller, but still deadly, National Liberation Army (ELN).

During the early 1980s, the insurgency was largely confined to the countryside and jungles, so the levels of violence remained modest. But in the 1990s, at the time the power of the Medellín and Cali cartels was fading, the guerrillas expanded their assaults to the urban areas. That, in turn, led to a growth in the number and size of right-wing paramilitary organizations, and the fighting between those groups and FARC-ELN forces caused the violence to spiral upward. While drug traffickers were often in alliance with one or more of those contending factions, the capos were not the only, or in many cases even the primary, sources of the violence plaguing the country.

In today's Mexico, though, the drug cartels are the overwhelming source of the carnage. That distinction is important, because the violence in Colombia did not really subside until Álvaro Uribe became president in 2002 and went far beyond the efforts of his predecessors to wage war against the FARC and the ELN. The counterinsurgency campaigns of earlier governments had been desultory and largely defensive in nature. Uribe's campaign was vigorous and aggressive, and it produced positive results.

He was also lucky because of unusually favorable regional conditions. Not only were the leftist insurgents weakened by infighting and aging leadership, but the external support that they had enjoyed from the Soviet Union, Cuba, and Nicaragua had faded. The Soviet Union had imploded a decade earlier, so that source was gone. Cuba's loss of Soviet support, in turn, inhibited its own ability to foment leftist revolutions in the Western Hemisphere. Nicaragua's Sandini-

sta regime was out of power and would remain so for several more years. The left-wing government of Hugo Chávez in neighboring Venezuela would eventually become a troublesome source of support for the FARC, but during the early years of Uribe's administration, the meddling from Caracas was limited. (Now that Chávez is more proactive in aiding the FARC, its power is rebounding somewhat, creating growing concerns in Bogotá.)

As the threat that the Marxist groups posed started to wane, Uribe prevailed on the right-wing paramilitaries to lower their profiles and let the government take the lead in counterinsurgency efforts. Those two developments—the decline of the FARC and ELN and the restraint of the paramilitaries—led to a dramatic drop in the overall violence.

Consequently, Bonner's argument that the decline in violence was largely due to the defeat of the Medellín and Cali cartels does not hold water. As Bonner himself argues, the Medellín cartel "was obliterated by the end of 1993, and the coup de grace was the killing of Escobar."³⁵ The Cali cartel was effectively destroyed by the end of 1996. Yet the violence went on. Indeed, it was still so bad in 2000 that the United States proposed and funded Plan Colombia, a multi-billion-dollar, multi-year program to counteract the threat that drug trafficking posed to that country and its neighbors. Bonner and others who see the defeat of the Medellín and Cali cartels as a model for defeating the Mexican cartels and ending the scourge of violence in that country need to explain why the violence in Colombia did not substantially subside until nearly a decade after the Medellín and Cali organizations were history.

There is another problem with the assumption that the Colombian strategy can be applied to Mexico. Bonner asserts that Bogotá was wise to wage war on one cartel at a time instead of trying to take on both simultaneously. But once again, the context in Mexico is different. And it is far more daunt-

ing. The Medellín and Cali cartels dominated the illegal drug trade throughout the 1980s and early 1990s, and within Colombia itself, they had no serious competitors.

But the drug trade in Mexico is more dispersed. Until a year or so ago, the Sinaloa and Gulf cartels appeared to be the leading players, but even then they hardly enjoyed the kind of dominance the Medellín and Cali organizations did in their heyday. Now, both the Sinaloa and Gulf cartels are fighting several very aggressive competitors just to hold on to their positions. The Zetas especially seem to be on the rise, and have already significantly eaten into the territory and power of the Gulf cartel. And such groups as the Beltrán Leyva and Juárez cartels, and the splintered La Familia organization, although weaker than they once were, are still serious competitors. So the task facing the Calderón government and its allies in Washington is not merely to defeat two cartels, as was the challenge in Colombia, but to defeat multiple powerful organizations.

Bonner emphasizes that in Colombia, the drug trafficking groups that filled the vacuum created when the Cali and Medellín cartels were destroyed “are smaller, more fragmented, and far less powerful—and, most important, they no longer pose a threat to Colombian national security.”³⁶ But by that logic, the situation in Mexico should be getting much better, not steadily worse. The illegal drug trade there is *already* fragmented in a way that it never was in Colombia during the 1980s and early 1990s.

In fact, Mexican authorities have defeated the leading cartels of the day on numerous occasions. At one time, such groups as the Guadalajara, Tijuana, and Juárez cartels were the most powerful players, but they are now either secondary factors or have completely unraveled. Yet their successors are just as successful. And the newer lead players seem to be even more violent and pose an even greater threat to the Mexican state. The notion that Mexico can duplicate Colombia’s victory over the Medellín and Cali car-

tels in a very different, much more challenging, environment is at best overly optimistic.

Yet U.S., Mexican, and Colombian officials act as though the Colombian model that extinguished those cartels can be used as a template for dealing with the situation in Mexico. “Mexico has what we had some years ago, which are very powerful cartels,” Colombian President Juan Manuel Santos stated. “What we can provide is the experience that we have had dismantling those cartels.”³⁷ Over the past few years, some 7,000 Mexican security forces have received training from their Colombian counterparts. Much of that training has been conducted by Colombia’s police commandos, who had leading roles in the armed struggles against leftist guerrillas and drug traffickers. Washington is paying for part of that training, apparently as an alternative to sending large numbers of U.S. police and military personnel to Mexico for such a mission—something that most Mexicans would regard as politically very sensitive.

To his credit, Bonner does not overstate the breadth of the “success” in Colombia the way some others do, who insist that Colombia can be a model for defeating the drug cartels in Mexico. He emphasizes that in Colombia, “the objective was to dismantle and destroy the Cali and Medellín cartels—not to prevent drugs from being smuggled into the United States or to end their consumption.” He fully acknowledges that “there are still drug traffickers in Colombia, and cocaine is still produced there.”³⁸

That is something of an understatement. A 2008 report from the Government Accountability Office showed that cocaine exports from Colombia had actually *increased* since the end of the 1990s. And that flow has eased just marginally over the last two years.

But the distinction between drug trafficking and drug violence may point the way to at least a partial solution to Mexico’s problem. By focusing on containing the violence, rather than trying to stem the flow of drugs, the Uribe government managed to bring at

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Prospects for a policy of accommodation, or “appeasement,” are dim, even if Calderón would countenance it—which seems very unlikely.

least some measure of peace to Colombia. It certainly appears that throughout Uribe’s administration, Bogotá did just enough on the anti-trafficking front to placate Washington without provoking the traffickers to the extent of disrupting a relatively stable domestic environment. Even with such restraint, the level of violence in Colombia is beginning to rebound. According to a February 2011 UN report, there was a 40 per cent rise in massacres in 2010, mostly attributed to new drug gangs that have arisen in recent years.³⁹

There is one other problem with the Colombia model, especially the version that emerged following the adoption of Plan Colombia in 2000 and the election of Uribe in 2002. A widening investigation by the Colombian attorney general’s office has uncovered some disturbing information about Plan Colombia and the conduct of Uribe’s administration. An August 20, 2011, story by Karen De Young and Claudia J. Duque in the *Washington Post* stated: “American cash, equipment and training, supplied to elite units of the Colombian intelligence service over the past decade to help smash cocaine-trafficking rings, were used to carry out spying operations and smear campaigns against Supreme Court justices, Uribe’s political opponents, and civil society groups.”⁴⁰

Indeed, six former high-level officials of Colombia’s Department of Administrative Security have already confessed to such abuses of power, and more than a dozen others are currently on trial. The investigation keeps expanding. Several top political aides of Uribe, and even the former president himself, are now under scrutiny. The burgeoning scandal in Colombia should be a cautionary tale to those who advocate using the same approach to bring down the Mexican drug cartels.

An Appeasement Strategy: Restoring the Status Quo Ante

Another suggested approach to tame the drug violence in Mexico is the adoption of a policy of accommodation, or “appease-

ment.” That was the essence of the proposal put forth in 2008 by Calderón’s former director of communications, Rubén Aguilar, and which former president Vicente Fox urges the government to consider. Doing so would be an attempt to return the country to the situation that existed during the era of political dominance by the PRI. Yet prospects for a successful deal along those lines are not favorable, even if Calderón would countenance it—which seems very unlikely.

First of all, the Mexican cartels are extremely powerful, and several of them seem intent on achieving both dominance in the illegal drug trade and invulnerability from the authority of the Mexican government. Reaching even an implicit agreement with such strong and violent actors would be a major challenge. After all, Bogotá was never able to achieve a *modus vivendi* with the Medellín and Cali organizations. During their heyday, neither cartel was interested in a compromise with the Colombian government. Only their weaker, fragmented successors seem willing to mute their challenge to the state. It’s hard to imagine that Mexico’s leading cartels, which are growing more powerful, would have much interest in such a deal with the Calderón government.

Mexico’s fractious multiparty system makes it even less likely that officials can engineer a return to the status quo ante under the PRI. That arrangement worked precisely because the PRI was the only meaningful political actor in the country. Drug lords knew that as long as they kept the money flowing to PRI appointees, they could conduct their commercial activities with a minimum of disruption. The current and prospective political environments make such calculations far less reliable. Even if a cartel successfully bribes a PAN official in a city or state, for example, the next election could bring a PRI or Party of the Democratic Revolution (PRD) leader to power with a whole new set of appointees, and the process would have to begin all over again. Hedging political bets requires traffickers to bribe multiple political factions, significantly raising the financial

costs and making that approach less secure. Given the underlying political uncertainty, the cartels are not likely to let their robust enforcement branches atrophy merely on the promise of government restraint.

Mexico's political leaders could perhaps act as the brokers in a market-sharing arrangement among the cartels. But the existence of so many powerful trafficking organizations would make such an arrangement inherently unstable—even in the unlikely event that the bloody rivals could reach an initial agreement. The number of powerful players is too large, the Mexican political system too multipolar, and the prize of the U.S. consumer market for illegal drugs both too large and too near to make an appeasement policy a workable option over the long term. There are huge obstacles to returning to the relatively stable period of accommodation between the Mexican government and the drug traffickers during the PRI era. Too much has changed, politically, economically, and socially, in the past decade.

At best, an appeasement policy might buy Mexico a precarious, probably short-lived truce. And even that would require the tacit consent of the United States—something that is not likely to be forthcoming from Washington. After all, the adoption of an appeasement policy by Mexican authorities would mean that the flow of illegal drugs into the United States would be unimpeded. It would also mean that drug kingpins that U.S. drug warriors have pursued for years would effectively be off-limits. It is hard to imagine the U.S. government accepting, much less approving, such an arrangement.

Biting the Bullet: Legalize Drugs and De-Fund the Cartels

Given the healthy state of global demand, there is little prospect of ending—or even substantially reducing—the trade in illegal drugs. And prospects for weakening the Mexican cartels to the point that they pose a lesser security threat to Mexico and the United States are just marginally better. The disappointing four-decade record of the war

on drugs has led more and more knowledgeable people to argue that there is only one policy change that would have a meaningful beneficial impact: ending the prohibitionist strategy and legalizing currently illegal drugs. Needless to say, though, that remains a highly controversial proposal.

The brutal reality is that prohibition 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 staunchly committed to a prohibitionist strategy. Its International Narcotics Control Strategy Report explains:

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.⁴¹

That is the depressing, unassailable point. And it needs to be asked whether a policy that puts literally hundreds of billions of dollars per year into the hands of organized crime is a sensible policy, whatever the rationale or motives.

Defenders of the current policy, when pressed, usually concede that there are problems with it, but they insist that the unintended side effects of legalization would be even worse. The Drug Enforcement Administration contends that legalization would lead to much greater drug use and levels of addiction. The agency supports that claim by emphasizing that use rates (and societal costs from addiction) are much higher for alcohol and tobacco, which are legal, than they are for currently illegal drugs.⁴²

Such reasoning is flawed on multiple levels. The notion that usage rates of currently

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illegal drugs would rival those of alcohol and tobacco if prohibition were abandoned is shockingly simplistic. Personal preferences and cultural influences have major impacts on use rates for any substance; the legality-illegality aspect is only one factor among many. DEA analysts do not explain why usage levels for cocaine and heroin are much lower than those for marijuana, even though all of those drugs are strictly illegal. Clearly, some other factor plays a key role.

Measuring societal costs of different mind-altering substances solely with respect to problems of addiction is also inherently misleading. That sort of analysis even leads the DEA to dismiss as nothing more than a “myth” the perception that the Prohibition era of the 1920s did not work. The agency arrives at that astonishing conclusion by emphasizing statistics showing that alcohol consumption levels and rates for drunkenness and alcohol-related diseases declined during Prohibition.⁴³

But stressing those benefits without a full, candid acknowledgement of the societal “collateral damages” of Prohibition is akin to measuring the strength of a corporation by listing its assets, while ignoring the liabilities side of the ledger. By that standard, Enron, WorldCom, Bear-Stearns, and AIG were all well-run, fabulously profitable enterprises. Yes, Prohibition “worked”—if one ignores the surge of corruption and violence that accompanied the “Noble Experiment.” The DEA tries to finesse that problem by asserting that organized crime was around both before and after Prohibition, implying that outlawing alcohol had little effect on that problem. Such an impression is misleading at best. Rates of both corruption and violence at the hands of organized crime were dramatically higher during the 1920s than in earlier and later decades.

The DEA’s obsession with the social costs of legal drugs like alcohol and tobacco, combined with the agency’s idealized version of the Prohibition era, creates the suspicion that at least some drug warriors would like to have another fling at banning liquor. At

a minimum, their reasoning provides an insight into why they seem blind to the ugly negative consequences of the current war on drugs.

Even the DEA’s core argument—that use and addiction rates would soar if drugs were legalized—is deeply flawed. Portugal’s drug reform, the most comprehensive in the world and now a decade old, rebuts that thesis. After Portugal decriminalized the possession of all drugs, including cocaine and heroin, in July 2001, the predicted surge in usage and associated problems did not materialize. Glenn Greenwald, whose 2009 Cato Institute White Paper is a thorough study of Portugal’s reform, notes that the empirical data “indicate that decriminalization has had no adverse effect on drug use rates in Portugal, which, in numerous categories, are now among the lowest in the EU, particularly when compared with states with stringent criminalization regimes.” Moreover, while “postdecriminalization usage rates have remained roughly the same or even decreased slightly when compared with other EU states, drug-related pathologies—such as sexually transmitted diseases and deaths due to drug usage—have decreased dramatically.”⁴⁴

Those results stand in marked contrast to the parade of horrors that the DEA and other supporters of prohibition trot out every time even modest steps toward legalization or decriminalization are proposed. Moreover, even if there were a modest uptick in drug use following legalization, one would need to measure the resulting negative consequences against the array of negative consequences under drug prohibition. Even though our society has serious problems with alcoholism and drunk driving, few people outside the DEA and other citadels of drug-war zealotry would argue that prohibition in the 1920s was, on balance, a better policy. By the same token, given the awful effects of the drug war in the United States and internationally, it is hard to imagine a system that would be worse.

Governments around the world seem to be gradually 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.⁴⁵ Sentiment for such harm-reduction approaches is taking hold in the Western Hemisphere as well. The president of Argentina has endorsed the decriminalization of drug consumption, and the then-president of Honduras, Manuel Zelaya, went even further, embracing the legalization of drug use.⁴⁶

A 2010 report by the Latin American Commission on Drugs and Democracy, the roster of which included more than a dozen former political leaders, diplomats, and other dignitaries, strongly criticized the war on drugs. Three leaders of that commission, former Brazilian president Fernando Henrique Cardoso, former Colombian president César Gaviria, and former Mexican president Ernesto Zedillo, subsequently published an op-ed in the *Wall Street Journal* highlighting those criticisms. They stated their thesis categorically: “The war on drugs has failed. And it’s high time to replace an ineffective strategy with more humane and efficient drug policies. . . . Prohibitionist policies based on eradication, interdiction and criminalization of consumption simply haven’t worked. Violence and the organized crime associated with the narcotics trade remain critical problems in our countries.”⁴⁷

A comprehensive report published in June 2011 by the Global Commission on Drug Policy reached a similar conclusion.⁴⁸ “The global war on drugs has failed, with devastating consequences for individuals and societies around the world,” the report stated flatly. The report went on: “Vast expenditures on criminalization and repressive measures directed at consumers of illegal drugs have clearly failed to effectively curtail supply or consumption. Apparent victories in eliminating one source or trafficking organization are negated instantly by the emergence of other sources and traffickers.”⁴⁹ The commissioners urged governments to “break the taboo on debate

and reform. The time for action is now.”⁵⁰ Members of that blue-ribbon panel included four former heads of state (including Cardoso); the current prime minister of Greece, George Papandreou; former U.S. Secretary of State George P. Shultz; former UN Secretary General Kofi Annan; and former Chairman of the Federal Reserve Paul Volcker.

Ernesto Zedillo’s byline on the *Wall Street Journal* op-ed is just one indication that disenchantment with the drug war is growing within Mexico’s political elite. The PRD, the third major party in Mexico’s triangular political competition, has called for drug legalization, and even President Calderón embraced more-limited reform measures.⁵¹ That campaign bore fruit in 2009, when the Mexican Congress enacted, and Calderón later signed, a bill that decriminalized possession of small amounts of illegal drugs, including not only marijuana, but cocaine, ecstasy, heroin, and crystal meth. Under the new law, anyone caught with the equivalent of about as many as five marijuana joints or four lines of cocaine can no longer be arrested or fined—much less imprisoned. Police simply give them the address of a rehabilitation clinic and urge them to overcome their habit.⁵²

Former president Vicente Fox took the debate to a new level in August 2010—and stunned both Mexican and U.S. political leaders who had long considered him an adamant drug warrior. Bush administration officials had repeatedly praised Fox’s cooperation with Washington’s anti-drug efforts as significantly better than those of his predecessors. Writing on his blog, Fox broke sharply with his previous positions. “We should consider legalizing the production, distribution, and sale of drugs,” he wrote. Then he added a succinct, damning indictment of both Calderón’s drug policies and those of his own administration: “Radical prohibition strategies have never worked.”⁵³

Fox stressed that legalization did not imply that drugs were good or that they didn’t harm those who consume them (although he did note that countries that had adopt-

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Unless the possession, production, and sale of drugs is legalized, the black-market premium will still exist and law-abiding businesses will still stay away from the trade.

ed serious drug-law reforms had not experienced an explosion of either drug use or crime rates.) But his reason for abandoning prohibition was based on a realistic assessment of economic realities. People should look at legalization, Fox argued, “as a strategy to strike at and break the economic structure that allows gangs to generate huge profits in their trade, which feeds corruption and increases their areas of power.”⁵⁴

Advocates of reform in the United States are understandably encouraged by such developments. Allen St. Pierre, who heads the National Organization for the Reform of Marijuana Laws, argues that Mexico’s legislation reflects changing global attitudes regarding the criminalization of drug use. “Cultural social norms are shifting around the world and in the United States. There will likely come a point when the majority see that prohibition is expensive and simply doesn’t work.”⁵⁵

It certainly is expensive for U.S. taxpayers. Harvard University senior lecturer in economics Jeffrey A. Miron and Katherine Waldock of New York University estimate that legalizing drugs and halting enforcement of drug prohibition would save more than \$41.3 billion per year in government expenditures. Some \$25.7 would be saved at the state and local level, and another \$15.6 billion at the federal level. They also estimate that legalizing drugs would yield tax revenues of some \$46.7 billion. Merely legalizing marijuana would put \$8.7 billion in the tax coffers annually.⁵⁶

The reforms in such countries as Portugal, Mexico, and other countries are modest steps in the right direction, and they certainly are more sensible than a knee-jerk adherence to 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 causal root of the violence that accompanies the drug trade. Mexico’s 2009

reform, for example, makes no change regarding the penalties for drug sales. Indeed, the new law states explicitly that any person convicted of selling any quantity of any drug will be sent to prison. Some experts speculated that a key motive for the measure was to divert police attention and resources away from pursuing small-time users, thereby enabling authorities to escalate their campaign against traffickers.⁵⁷ Even Portugal’s otherwise bold drug reform regarding possession and use kept trafficking in drugs strictly illegal.

Yet 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. *Wall Street Journal* columnist Mary Anastasia O’Grady aptly makes that distinction with respect to the drug-law reform that Mexico enacted in 2009:

Mexican consumers will now have less fear of penalties and, increasingly in the case of marijuana, that’s true in the United States as well. But trafficking will remain illegal, and to get their product past law enforcement the criminals will still have an enormous incentive to bribe or to kill. Decriminalization will not take the money out of the business, and therefore will not reduce corruption, cartel intimidation aimed at democratic-government authority or the terror heaped on local populations by drug lords.⁵⁸

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 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 domestic and international. On the domestic front, American's prisons are bulging with people who have run afoul of the drug laws. Approximately one-third of inmates in state prisons and nearly 60 percent of those in federal prisons are incarcerated for drug trafficking offenses. Most of those inmates are small-time dealers. Prohibition has created or exacerbated a variety of social pathologies, especially in minority communities where drug use rates are higher than the national average and rates of arrests and imprisonment are dramatically higher. Those are all serious societal costs of prohibition.

Conclusion

The most feasible and effective 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 could substantially defund the cartels through the full legalization (including manufacture and sale) 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. The United States exercises disproportionate influence on the issue of drug policy, as it does on so many other international issues.

If prohibition were rescinded, the profit margins for the drug trade would be similar to the margins for other legal commodities, and legitimate businesses 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 must seriously consider adopting a similar course today with respect to currently illegal drugs.

Even taking the first step away from prohibition by legalizing marijuana, indisputably the mildest and least harmful of the illegal drugs, could cause problems for the Mexican cartels. Experts provide a wide range of estimates about how important the marijuana trade is to those organizations. The high-end estimate, from a former DEA official, is that marijuana accounts for approximately 55 percent of total revenues. Other experts dispute that figure. Edgardo Buscaglia, who was a research scholar at the conservative Hoover Institution until 2008, provides the low-end estimate, contending that the drug amounts to "less than 10 percent" of total revenues. Officials in both the U.S. and Mexican governments contend that it's more like 20 to 30 percent.⁵⁹

Whatever the actual percentage, the marijuana business is financially important to the cartels. The Mexican marijuana trade is already under pressure from competitors in the United States. One study concluded that the annual harvest in California alone equaled or exceeded the entire national production in Mexico, and that output for the United States was more than twice that of Mexico.⁶⁰ As sentiment for hard-line prohibition policies fades in the United States, and the likelihood of prosecution diminishes, one could expect domestic growers, both large and small, to become bolder about starting or expanding their businesses.

Legalizing pot would strike a blow against Mexican traffickers. It would be difficult for them to compete with American producers in the American market, given the difference in transportation distances and other factors. There would be little incentive for consumers to buy their product from unsavory Mexican criminal syndicates when legitimate domestic firms could offer

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the drug at a competitive price—and advertise how they are honest enterprises. Indeed, for many Americans, they could just grow their own supply—a cost advantage that the cartels could not hope to match.

It is increasingly apparent, in any case, that both the U.S. and Mexican governments need to make drastic changes in their efforts to combat Mexico's drug cartels. George Grayson aptly summarizes the fatal flaw in the existing strategy. "It is extremely difficult—probably impossible—to eradicate the cartels. They or their offshoots will fight to hold on to an enterprise that yields Croesus-like fortunes from illegal substances craved by millions of consumers."⁶¹

Felipe Calderón's military-led offensive is not just a futile, utopian crusade. That would be bad enough, but the reality is much worse. It is a futile, utopian crusade that has produced an array of ugly, bloody side effects. A different approach is needed. The most effective way is to greatly reduce the "Croesus-like" fortunes available to the cartels. And the only realistic way to do that is to bite the bullet and end the policy of drug prohibition, preferably in whole, but at least in part, starting with the legalization of marijuana.

A failure to move away from prohibition in the United States creates the risk that the already nasty corruption and violence next door in Mexico may get even worse. The danger grows that our southern neighbor could become, if not a full-blown failed state, at least a de-facto narco-state in which the leading drug cartels exercise parallel or dual political sovereignty with the government of Mexico. We may eventually encounter a situation—if we haven't already—where the cartels are the real power in significant portions of the country. And we must worry that the disorder inside Mexico will spill over the border into the United States to a much greater extent than it has to this point.

The fire of drug-related violence is flaring to an alarming extent in Mexico. U.S. leaders need to take constructive action now, before that fire consumes our neighbor's home and

threatens our own. That means recognizing reality and ending the second failed prohibition crusade.

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