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## A RAND NOTE

Quest for Integrity:  
The Mexican-U.S. Drug Issue in the 1980s

Peter Reuter, David Ronfeldt

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The research described in this report was sponsored by the Under Secretary of Defense for Policy under RAND's National Defense Research Institute, a federally funded research and development center supported by the Office of the Secretary of Defense and the Joint Staff, Contract No. MDA903-90-C-0004.

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N-3266-USDP

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The Mexican-U.S. Drug Issue in the 1980s**

**Peter Reuter, David Ronfeldt**

**Prepared for the  
Under Secretary of Defense for Policy**

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## **PREFACE**

This study was prepared as a contribution to a broader project entitled "Mexico: A Security Concern?" The research was sponsored by the Under Secretary of Defense for Policy. It was conducted within the International Economic Policy Program of RAND's National Defense Research Institute, a federally funded research and development center sponsored by the Office of the Secretary of Defense and the Joint Staff.

The Note presents findings from an inquiry by the authors in 1989 and 1990 into selected aspects of the narcotics problem through the 1980s. It does not assess the events of 1990 and 1991.

## SUMMARY

The continuing flow of drugs from Mexico to the United States has been a major source of tension between the two countries over the past two decades. At present, Mexico accounts for a large share—perhaps more than half—of U.S. imports of marijuana and heroin; it also serves as a transshipment point for a large and apparently increasing proportion of cocaine imports. This study assesses the effectiveness and political aspects of Mexican drug control efforts in the 1970s and 1980s.

Using official U.S. government production and price figures, we estimate that export earnings from heroin and marijuana in 1988 were between \$2.2 billion and \$6.8 billion; we believe that the lower figure is more likely. These revenues appear to have been increasing rapidly in recent years. Drug revenues currently constitute between 1.25 and 4 percent of Mexico's gross national product (GNP); they add 5 to 20 percent to recorded export earnings. We were unable to estimate cocaine export revenues.

The difficulty of uprooting an industry of this size is compounded by the fact that Mexico has long been a platform for many types of smuggling into the United States. Highly organized smuggling operations, e.g., of stolen automobiles and migrant workers, developed rapidly in Mexico in the 1970s. Many powerful smugglers have been able, through corruption, to establish protected positions for themselves and their businesses within Mexico's political system, on a regional, if not national, basis.

For the past twenty years, Mexico has taken aggressive actions against drug production, with the Office of the Attorney General (PGR) and the army having a central role throughout; indeed, the army has been involved for almost forty years. During the late 1970s, these actions had a substantial impact, when the Mexican government responded to U.S. pressure by adopting aerial spraying as an adjunct to the traditional manual eradication of crops. However, over the following five years, growers adapted to the spraying by shifting to smaller, better camouflaged plots, many of them located outside the traditional northern growing areas. As a result, spraying seems to be far less effective now. Mexican production of heroin and marijuana, all destined for the U.S. market, rose rapidly throughout the late 1980s.

Mexico's drug control effort is unique among major source countries in three respects: First, Mexico has allowed aerial spraying of herbicides. Second, it has involved the military in a central role—perhaps a quarter of the army's resources go to drug control. Third, Mexico seems to have no significant problems related to domestic consumption of the drugs it

produces for export; the control is justified in terms of concern with the consequences of drug exports to the United States and the drug industry's ability to erode government authority.

The United States has been pressing the Mexican government for more stringent drug control for at least fifty years. The primary U.S. concern has been with integrity in the drug control program. From the very beginning, there have been claims that the Mexicans overstate the area they have eradicated and that agencies, both military and civilian, have been corrupted by growers. The issue of integrity has been a major source of tension between the United States and Mexico around the drug issue. Mexico's refusal to allow U.S. agencies to closely monitor the functioning of the control programs, even those that receive U.S. funding, has exacerbated those tensions.

As a result, U.S. agencies have known less about Mexican drug production and control programs than about those in any other Latin American source country. This has limited the U.S. government's ability to effectively monitor and influence Mexican drug policy. It is interesting to note that the two official series of drug production estimates published by the U.S. government showed substantial inconsistencies in the late 1980s.

On the eve of the 1990s, Mexican drug control efforts seemed unlikely to become much more effective, despite U.S. pressures. Relative to other source-country control efforts, the Mexican program has more funding, a more substantial commitment by the country itself, and more clearly defined goals. Mexico may even represent an "end case" in terms of the drug control efforts the United States can expect from the government of a major producing country, in the context of the continued U.S. demand for drugs. What may be improving is the integrity of the effort.

If, as some officials and analysts believe, corruption has been a key impediment to more effective drug control, the U.S. government can do very little. That corruption has deep roots in Mexico, and it probably cannot be substantially reduced by U.S. pressures. And if the major problem has been the difficulty of controlling drug production that has become widely dispersed—which seems highly likely—then the prospects are even more bleak. The response of the poppy and marijuana cultivation industries to effective eradication programs in the mid-1970s, namely dispersion to smaller, better camouflaged plots, makes eradication as costly and limited a tool in Mexico as it is in the United States.

Yet the problem of corruption has not, according to some U.S. officials in the field, been the primary impediment to U.S.-Mexican cooperation. Rather, the key factor over the years has been Mexico's exercise of its traditional nationalist concept of sovereignty. The drug problem was one of the first issues to be defined as a threat to national security in Mexico, but it is also one of the last to be affected by Mexico's recent evolution toward a more

modern, open concept of sovereignty. A new program of collaboration with the United States to interdict cocaine transshipments from South America, however, is evidence that the new nationalist mentality is beginning to guide drug policy.

The administration of President Carlos Salinas de Gortari should be rated highly for its recent cooperation on drug policy and its efforts to fight corruption and increase the effectiveness of Mexican programs. Nonetheless, estimated drug production grew substantially in the first two years of the Salinas administration. Thus U.S. concern remains focused less on the level of drug exports from Mexico than on the perceived integrity of Mexican control efforts. There may be little the United States can do to enhance that integrity, but Mexico appears to be making serious efforts to improve its own programs.

## **ACKNOWLEDGMENTS**

The authors are grateful for comments from Bruce Bagley of the University of Miami, who served as the formal reviewer of this Note. The authors also thank Sergio Aguayo of El Colegio de Mexico and Lt. Col. Stephen Wager of Stanford University for their comments and criticisms. Finally, they are indebted to Janet DeLand for her editing skill.



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## 1. INTRODUCTION

The flow of drugs from Mexico to the United States has been a source of trouble in U.S.-Mexican relations for at least two decades. The dominant view in Mexico is that the problem arises from the inability of the United States to control its domestic demand for heroin, cocaine, and marijuana. The dominant U.S. view has been that the Mexican government has failed to make effective efforts to control the supply of drugs. In particular, there have been continuing U.S. allegations that widespread, systemic corruption is undermining the Mexican drug eradication effort that was once held up as a model for all source countries. At times—in particular, after the killing of Drug Enforcement Administration (DEA) agent Enrique Camarena in 1985—U.S. government anger at Mexico's alleged failure to maintain the integrity of its anti-drug efforts has been the dominant source of friction between the two nations.

This study analyzes the interaction of the two countries with respect to drugs. We begin by developing estimates of the value added in marijuana and opium/heroin production in Mexico, itself a country with a very small drug use problem; we then examine the political setting of drug production and trafficking. We argue that to understand the response of the Mexican government to drug production, it is necessary to recognize the long history of smuggling in both directions across the U.S.-Mexican border and to appreciate Mexico's long-standing concerns with maintaining national sovereignty, particularly against U.S. interference. We also examine the emergence of a new Mexican national security apparatus and doctrine, which has played an important role in forming the country's response to the growth of cocaine transshipments in the late 1980s.

Compared with other Latin American drug-producing countries, Mexico has been very aggressive in its efforts to control the drug trade. Indeed, given the size of the problem Mexico faces and the difficulty of suppressing a mature and entrenched drug production system, Mexico may represent an "end case" in terms of what the United States can reasonably expect from drug control efforts in the context of continued U.S. demand for drugs. But its natural advantages as a smuggling platform to the United States, as well as the inherent limitations of governmental control efforts, have ensured the continuing participation of Mexican traffickers in the export of drugs to the United States. The study also suggests that Mexican nationalism has been at least as important as corruption in defining Mexican policy and impeding U.S.-Mexican cooperation against drug production and trafficking. Note that the study does not extend beyond the end of the 1980s; developments

since the beginning of 1990 are only occasionally referred to, since the primary work was completed by mid-1990.

Mexican anti-narcotics policy and practice have improved remarkably since President Carlos Salinas de Gortari came into office in 1988. This is not without historic precedent, however; a similar improvement occurred in the mid-1970s. Thus there is every reason to expect that the drug problem will continue to bedevil U.S.-Mexican relations, though perhaps less severely as the Salinas government's reforms take effect.

This study is based on two sources: (1) interviews conducted by the authors in 1989 with U.S. government officials in Washington and Mexico City and with a small number of Mexican officials, and (2) the extensive body of official U.S. reports (most of them Congressional), the growing corpus of journal writings, and the smaller scholarly literature on Mexican drug trafficking and drug control programs.

## 2. DRUG PRODUCTION IN MEXICO: HISTORY AND SCALE

Given Mexico's location and relative poverty, the length and emptiness of its border with the United States, the tradition of drug production in Mexico and its Latin neighbors, and the current size of the U.S. drug market, Mexico's important role in supplying the illicit drug market in the United States is scarcely surprising. Canada, on the other hand, with a similarly long U.S. border, is a wealthy nation without a tradition of drug production and no neighbors that are themselves drug producers.<sup>1</sup> Few drugs are imported into the United States through Canada. Indeed, the United States may well be a net exporter of illicit drugs to Canada.

It is generally believed that in the late 1980s, Mexico was the principal producer of heroin and foreign marijuana for the U.S. market. It is also believed that roughly one-third of the U.S. cocaine imports were transshipped through Mexico from South American producer countries (see, e.g., U.S. Department of State, 1989). Although there is continuing concern about the possibility of a substantial internal Mexican market for these drugs, particularly a middle-class cocaine market, the available indicators suggest that no such market yet exists.<sup>2</sup> The major drug abuse problem in Mexico seems to be inhalant use by young children. Mexico may, in fact, be unique among major source countries in the low domestic use of the drugs it produces.<sup>3</sup>

Mexico does not grow coca. However, as a result of intensified U.S. air and sea interdiction efforts, particularly in and around southern Florida, it became a major transshipment country in the 1980s.<sup>4</sup> The open access of its southern border and the

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<sup>1</sup>During the Prohibition era, on the other hand, Canada was a far more important source of supply of illegal liquor to the United States than was Mexico. This may have been due to three factors: (1) the location of the markets (the major U.S. cities were much closer to Canada than to Mexico); (2) the relative bulkiness of liquor, which made its transportation costs, including the risks of being apprehended, much higher than those of contemporary illicit drugs; and (3) Canada's close ties with Great Britain, the source of Scotch whiskey. Mexico was not a traditional producer or shipper of the liquors preferred in the United States.

<sup>2</sup>A recent survey of Mexican households found that only 4.3 percent of the urban population between 12 and 65 years of age had used an illicit drug in the previous twelve months (Sistema Nacional de Enuestas de Salud, 1989). However, Mexican officials were concerned in the late 1960s and early 1970s that domestic drug use was significant and growing (partly because of the influence of U.S. youth trends). This concern helped motivate Mexico to increase its anti-narcotics efforts in cooperation with the United States (Craig, 1978).

<sup>3</sup>Del Villar (1989) presents a variety of self-report surveys, all pointing to rates of marijuana use much lower than those in similar populations (students, prison inmates, etc.) in the United States. Cocaine and heroin barely register at all in these Mexican surveys.

<sup>4</sup>In the mid-1980s, Mexico also served as a latter-stage refining point, converting cocaine base into cocaine hydrochloride. This may have been a consequence of the relative ease of obtaining

existence of numerous airstrips close to the U.S. border made such transshipment a relatively low-risk way to smuggle cocaine into the United States from the Andean region (Reuter, Crawford, and Cave, 1988). Little is known about the level of cocaine transshipment activity in Mexico, or about the incomes generated by that activity.

In the remainder of this section, we attempt to estimate the scale of earnings from Mexican production of opium/heroin and marijuana in 1988. We have relied on official U.S. estimates of total drug production and prices; these estimates are discussed in detail in the Appendix, where particular attention is given to inconsistencies in the data. This section also discusses fluctuations in production levels; the discussion is a necessary prelude to the analysis of Mexican control efforts, which seem to have been highly effective in the late 1970s.

## **HEROIN PRODUCTION**

Mexico's history as a commercial producer of opium, the base for heroin, dates from the 1930s, when Chinese immigrant farmers engaged in a modest level of production to service the small illicit heroin market in the United States (Thomas, 1987, p. 3). The U.S. government encouraged licit opium production in Mexico during World War II to ensure an adequate supply of morphine, a major pain killer used in the treatment of the wounded (Walker, 1988). Traditional Asian sources of opium production were not readily accessible in wartime, when the need to treat casualties increased the demand for the drug. But by 1942, the U.S. government had already started to express concern about leakage from the licit to the illicit market, and U.S. officials in Mexico were providing very detailed information to the Mexican government to force action against that leakage.

From 1940 to 1970, total Mexican production fluctuated, reflecting fluctuations in U.S. demand and the availability of heroin from Asian sources, and the opium industry remained concentrated in three states in northwestern Mexico: Sinaloa, Chihuahua, and Durango.

Mexico appears to have become the major supplier of heroin to the United States in the early 1970s, when Turkey (under U.S. pressure) successfully implemented first a ban on opium production and then an effective control program that prevented leakage from the licit to the illicit markets. Whereas Mexico was estimated to have supplied a modest share of U.S. imports in 1970, it was supplying 6.5 tons by 1975, 70 to 80 percent of the total. Following an eradication campaign initiated by the United States (discussed below), Mexican

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processing chemicals in Mexico, as compared with Colombia; Mexico also had less enforcement focused on refining. Whatever the reason, there appeared to be little such processing activity in Mexico by the late 1980s (U.S. Department of State, 1989, p. 109).

heroin exports to the United States dropped to just over 1 ton (30 percent of the total) in 1979, and according to a number of indicators, heroin use in the United States declined precipitously (U.S. General Accounting Office, 1988). A combination of eradication efforts and poor growing conditions (i.e., an extended drought) ensured that Mexican production increased very little until 1984 (Craig, 1989).

Then in the late 1980s, total production rose substantially. The National Narcotics Intelligence Consumers Committee (NNICC) estimated Mexican exports to the United States in 1984 at 2.0 tons, but the figure had risen to between 4.5 and 5.5 tons by 1988. An interesting phenomenon of the 1980s was the spread of opium production to new areas of the country, including the states of Michoacan, Nayarit, Guerrero, Oaxaca, and Chiapas (U.S. Department of State, 1989, p. 112). Production in the south of Mexico has now also apparently spilled across the border into Guatemala, where 1989 production was estimated to total 14 tons, about one-sixth the Mexican total (U.S. Department of State, 1990). The dispersion of production was probably caused by Mexico's eradication efforts, since dispersion lowers growers' risks of detection.

## **MARIJUANA PRODUCTION**

Mexican marijuana production has murky origins. Though marijuana use in the United States was traditionally associated in the public mind with Mexican immigrants (Musto, 1971), there is little evidence that it was ever widely used in Mexico itself. Natural hallucinogens have a traditional role in peasant society, but marijuana does not, despite the fact that it grows abundantly in the wild.

Mexico has historically been the dominant source of marijuana for the United States, supplying up to 95 percent of the modest U.S. market from the 1930s to the early 1960s (U.S. House of Representatives, 1984, p. 10). After 1960, first Jamaica and then Colombia became important suppliers. There are no official estimates of Mexican production or exports for the 1960s and early 1970s.

In the mid-1970s, when the spraying program went into effect, production in Mexico fell substantially. The NNICC estimated that production declined from between 4,000 and 6,000 tons in 1977 to 750 tons in 1982. That decline also probably reflected lower U.S. demand for Mexican marijuana because of concerns about the possibility of paraquat residues on the drug (Walker, 1988, pp. 194-196).

According to NNICC estimates, production rose rapidly after 1982, reaching 4,700 tons (over one-third of estimated U.S. imports) in 1988. The growth of Mexican marijuana production during the 1980s is partly explained by the increased stringency of the U.S.

maritime interdiction program. Colombia, the dominant producer for the U.S. market in the late 1970s, became a high-cost source because of the increased risk of seizure. Although the export price of Colombian marijuana was less than one-twentieth that of Mexican marijuana in 1985, transportation costs were very much higher for Colombian smugglers, more than offsetting the lower material costs.<sup>5</sup>

The 1990 *International Narcotics Control Strategy Report* (INCSR), published by the U.S. Department of State's Bureau of International Narcotics Matters (INM), includes a dramatic revision of the production estimates for Mexico for 1989, reflecting what were described as improved surveillance techniques. For reasons given in the Appendix, we do not believe that this revision is plausible, and we have used the 1988 figures for estimating revenues.

## REVENUES

For this study, production estimates are of interest primarily for what they, together with export prices, imply about the economic scale of the illicit drug industry. Even highly conservative official estimates of prices and quantities point to an industry that accounts for more than 1.25 percent of Mexico's gross national product (GNP) in 1988. That same low-end estimate amounted to about 6 percent of recorded export earnings. Using the high end of the official U.S. quantity and price figures yields a GNP share of almost 4 percent and a share of export earnings of about 20 percent. For certain regions, drug revenues may be very significant indeed, but the available data do not permit systematic estimates of regional drug incomes.

The relevant prices for export revenue estimates are those at the point of export. Though some Mexican trafficking organizations, such as the Herrera family (a family gang that extends to the Chicago area), were involved in U.S. domestic distribution, the bulk of earnings generated in Mexico came from sales to U.S. domiciled importers.<sup>6</sup>

The DEA publishes annual price data for a number of drugs at different points in the distribution system. Table 1 presents prices of Mexican drugs in 1988. The *interior price* apparently refers to the price at the point of production, for either opium or marijuana; this may be close to the price received by the farmer. The *border price* is the price paid to the exporter by the U.S. importer.

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<sup>5</sup>As reported by the DEA (1989), the December 1988 price of marijuana at the point of embarkation in Colombia was only \$4 to \$7 per pound, compared with the Mexican border price of \$136 to \$455 per pound. If there is a difference in quality, Colombian marijuana seems to be better, since it wholesales for \$550 to \$900 per pound, whereas Mexican marijuana wholesales for \$325 to \$650.

<sup>6</sup>We do not take up the tangled questions of the share of Mexican earnings returned to the United States (a component of capital flight), or the amount of earnings by Mexican drug dealers in the United States that are repatriated to Mexico.



**Table 1**  
**Drug Prices: Mexico, 1988**

| Item           | Opium/Heroin<br>(\$/kg of heroin) | Marijuana<br>(\$/lb) |
|----------------|-----------------------------------|----------------------|
| Interior price | 28,000-80,000 <sup>a</sup>        | 50-100               |
| Border price   | 100,000-200,000 <sup>b</sup>      | 136-455              |

SOURCE: Drug Enforcement Administration, 1989.

<sup>a</sup>For 10 kg of opium (equivalent to 1 kg of heroin).

<sup>b</sup>60 to 80 percent pure.

Taking the consensus 1988 opium production estimate of 45 to 55 tons, these figures indicate revenues of \$126 to \$440 million for poppy growers and first-stage refiners. Total Mexican heroin export revenues are based on the border or export prices, which must be adjusted for the purity of the drugs. We assume that the reported price and purity are correlated (i.e., that the \$100,000 figure is for 60 percent pure heroin, and the \$200,000 is for 80 percent pure), so the pure-kilogram price is between \$166,000 and \$250,000 per kg. Total export revenues for 1988 are thus estimated to be between \$750 million and \$1,125 million (see Table 2).

Marijuana revenue estimates are higher, as shown in Table 2. The lower NNICC 1988 production estimate, 4,710 tons, yields interior revenues of approximately \$500 million to \$1 billion and total Mexican earnings of \$1.45 billion to \$4.5 billion. The INM estimates are about 20 percent higher, \$1.6 billion to \$5.4 billion.

**Table 2**  
**Drug Production and Revenues: Mexico, 1988**

| Item                          | Opium/Heroin | Marijuana   | Total       |
|-------------------------------|--------------|-------------|-------------|
| Production (metric tons)      | 45-55        | 4,710-5,655 | n.a.        |
| Farm revenues (\$ millions)   | 125-450      | 525-1,250   | 650-1,700   |
| Export revenues (\$ millions) | 750-1,125    | 1,450-5,700 | 2,200-6,825 |

SOURCES: U.S. Department of State, 1989; NNICC, 1989.

## CONCLUSIONS

Total Mexican earnings from exports of heroin and marijuana, on the basis of official figures, range from \$2.2 billion to over \$6.8 billion. The higher figures seem implausible. Although the totals are driven by the very high prices at the top end of the range (i.e., for

marijuana at the border), Mexican marijuana is generally regarded as being of low quality, so the average export price is likely to be nearer the low end of the scale. \$135 per pound.<sup>7</sup>

There is also some question as to whether Mexican exports to the United States are even as high as the lower NNICC figure. Kleiman (1989), using data from surveys of the U.S. population, estimated that total U.S. marijuana consumption in 1986 was 4,695 tons, of which a significant share was produced domestically. Survey data indicate that marijuana consumption declined between 1986 and 1988. Kleiman's estimate would point to export levels in Mexico less than half the NNICC estimate, even allowing for domestic U.S. seizures.<sup>8</sup> With exports of approximately 2,500 tons and an export price of approximately \$150 per pound, earnings from marijuana exports are calculated at a more reasonable \$750 million. Total earnings from heroin and marijuana imports, then, may be as low as \$1.5 billion.<sup>9</sup>

This figure is fairly close to some estimates of Colombian export earnings from the cocaine trade in the late 1980s (see Lee, 1989).<sup>10</sup> However, the Mexican GNP and legitimate Mexican export earnings are much higher than those of Colombia, so the drug industry has less macroeconomic consequence. Mexico's gross domestic product (GDP) in 1988 was \$174 billion; its total recorded export earnings were \$38 billion.

Nonetheless, the estimates presented here suggest that the illicit drug industry in Mexico was sufficiently large in the late 1980s that drug control could be perceived as having important adverse economic consequences. Some of the major producer states, particularly in northern Mexico, would have been most affected. A control program that drastically reduced drug exports might also have had some effects on Mexico's international financial position.

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<sup>7</sup>For 1988, the DEA reported the retail price of domestic "commercial" marijuana (i.e., not *sensemilla*) to be \$700 to \$1,200 per pound; an import price of \$455 implies an implausibly low markup of less than 200 percent over the entire domestic distribution chain.

<sup>8</sup>For Mexican income estimates, it is irrelevant whether exports are consumed or seized domestically, as long as the importer pays upon delivery to the United States.

<sup>9</sup>We are unable to provide estimates of total employment in the marijuana and heroin industries, another measure of economic significance.

<sup>10</sup>We have not included an estimate of earnings from cocaine transshipments. In 1988, U.S. imports of cocaine may have been as high as 450 tons. If one-third of the cocaine in the United States entered through Mexico and the transshipment margin was \$4,000 per kilo (compared with a landed U.S. price of \$15,000 per kilo), Mexican earnings from this activity would have been approximately \$600 million. Even by the shaky standards of drug revenue estimation, this is a highly speculative calculation.

### 3. CORRUPTION AND SMUGGLING: EMBEDDED IN THE SYSTEM?

No issue in U.S.-Mexican relations is more distressing for policy analysis than that of narcotics. There is no way to inquire into it without learning and saying terrible things about both countries. One of the most sensitive aspects is the way in which narcotics production and trafficking have led to the rise of criminal organizations whose wealth and influence have contributed to making corruption a major, endemic problem for the Mexican government and its law enforcement agencies. If the money discussed in Section 2 lies at the root of the drug business, corruption is what allows it to branch throughout society and politics.<sup>1</sup>

Corruption among Mexican officials has reportedly taken many forms and has occurred at all levels of the chain of command. Low-level complicity in illegal activities has been quite common. Policemen and soldiers have been paid to ensure that a particular section of a highway or airport is clear for an hour or so, permitting a plane to land and unload. Pilots have been paid to avoid spraying particular areas that are under marijuana cultivation. Local police and military officers have provided warnings of impending raids; they have also been found guarding fields and cargos for the traffickers. Prison officials have been bribed to allow jailed traffickers to enjoy unusual amenities, including the ability to conduct business over the telephone from their cells.

More troubling are reports that higher-level law enforcement officers at state and federal levels have abused their authority and engaged in drug smuggling. Apparently, some of these officials were not tools of the traffickers; they were forceful entrepreneurs intent on getting a piece of the action. Gangs of highway patrolmen have been caught smuggling marijuana into the United States over routes that they were patrolling. A federal law enforcement official has been accused of operating an extended smuggling network with the assistance of police under his direction. The former director of Interpol-Mexico has been arrested on charges that he was involved in a notorious trafficking ring and used his considerable influence and resources to launder money and conduct surveillance of other officials, the results of which he sold to the traffickers. Such corruption of powerful police (and, some would add, military) officials has compounded the intractability of the drug

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<sup>1</sup>The following discussion reflects incidents and structures through 1989. It does not assess changes in 1990 and 1991, although some perceptions and pronouncements from 1990-1991 are included.

problem, particularly if a chain of lower-ranking officers was involved, creating an organized crime system coopted by and loyal to the very officials trusted to root out the smugglers.

### **MEXICO AS A SMUGGLING PLATFORM**

Has the narcotics problem in Mexico consisted only of isolated criminals and their gangs secretly conducting illicit businesses while enticing, corrupting, and coercing peasant farmers and occasional officials to cooperate in keeping the business going? The problem seems too large, too complex, and too difficult to uproot for that to have been the case.

Mexico, in the words of one interviewee, is "the perfect smuggling platform" and has been so throughout this century. Mexicans have always been available to supply whatever Americans want but cannot obtain legally in their own country—just as Americans have always been ready to provide whatever Mexicans want and cannot acquire readily in Mexico. Mexicans, and non-Mexicans in Mexico, have smuggled alcohol, prostitutes, migrant workers, and drugs into the United States and have provided medical treatments (e.g., for cancer, AIDS) that Americans want but find prohibited in their country. Meanwhile, Americans and Mexicans have smuggled weapons, automobiles, electronics, and other goods that were subject to import restrictions into Mexico. Impressive, corrupt, politically protected rackets have reportedly grown up around all these items.<sup>2</sup>

In other words, smuggling from Mexico into the United States has been a natural phenomenon of geography, history, and economics. It has always occurred, and there may be no way to prevent it. Adam Smith explained the impossibility of successful enforcement of laws against smuggling as follows:

A smuggler is a person who, although no doubt blameable for violating the laws of the country, is frequently incapable of violating those of natural justice, and would have been, in every respect, an excellent citizen had not the laws of his country made that a crime which Nature never meant to be so.<sup>3</sup>

Thus, smuggling—even of narcotics—does not mean that Mexico is an "enemy" or a "threat" to the United States. From a Mexican viewpoint, smuggling may be illegal, but that does not mean it is illegitimate. It is just a matter of supplying what Americans want. Why should Mexicans care, as long as they are making money and Mexico is not being hurt?

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<sup>2</sup>It would be useful to know whether the Prohibition era in the United States led to organized smuggling and institutional corruption in Mexico on a scale that is alleged to exist today with narcotics. We have been unable to locate documentation on this subject.

<sup>3</sup>Dominguez, 1975, p. 164.

## THE LIMITS OF TOLERATION

As Mexicans and others point out, Mexico is never the only or the initial source for smuggling. Whatever the illicit item, production and smuggling into the United States starts elsewhere; it is introduced into Mexico later, mainly because of Mexico's geographic location. Mexico claims that it is part of an international phenomenon responding to U.S. demand—and this implies that Mexico may tolerate the smuggling, within limits.

At the same time, the Mexican view requires that any Mexican role be unique. As one interviewee stated, everything is permissible in Mexico as long as it is Mexican: The activity must be done nationalistically, it must be useful to at least part of the ruling system of elites and institutions, and it must be independent of international connections. This appears to define the upper limits of toleration. The limits are apparently breached when the activity jeopardizes the revolutionary mystique and Mexico's image at home and abroad, embarrasses Mexican leaders in power, weakens central government or party control in some significant area, or gets subordinated to non-Mexican actors.

Narcotics is the one smuggling activity that has breached these limits. Payoffs for protection, profits for distribution, and isolated episodes of violence may not be of much concern to high government officials in Mexico, but it is a different matter when producers and traffickers become political gangsters and begin to wield greater local and regional power than the government and its Institutional Revolutionary Party (PRI); when they try to impose appointees and nominees who are not preferred in Mexico City; when they make officials do what they want and not what the president wants; when they channel funds into opposition parties and radical movements; when they acquire ever larger arsenals of weapons for paramilitary operations; when they seem prepared to threaten Mexico's leaders with assassination and terrorism if things do not go their way; when they attract international attention that harms Mexico's image; when they seem more responsive to foreigners than to Mexico City; and when they in fact *are* foreigners operating in Mexico, competing with Mexicans, and trying to cut them out of business.

Because some, if not all, of this has reputedly occurred, Mexico's rulers have become concerned about the specter of "Colombianization"—Mexico, they feared, was becoming threatened by politically powerful and violent drug entrepreneurs, as happened in Colombia around 1980.<sup>4</sup>

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<sup>4</sup>Marijuana- and heroin-related operations have not breached the limits to the same extent as cocaine trafficking through Mexico from Colombia has, but they did so during the mid-1970s in the Critical Triangle area, prompting the Mexican government to undertake Operation Condor as part of what came to be called the Permanent Campaign. An analyst of this period noted: "Several ingredients combined to produce concerted action from the top: (1) campesino desperation and the resort to drug

## THE GROWTH OF ORGANIZED SMUGGLING

Within the limits, it appears that smuggling was not regarded in Mexico as being inherently criminal or "outside" the system. Indeed, major smuggling operations often became embedded in that system. In the mid-1970s, tens of thousands of peasants participated in marijuana and poppy cultivation and trafficking, particularly in Sinaloa. And in the late 1980s, the "traffickers [were] increasingly viewed in the countryside as modern Robin Hoods, who finance hospitals, schools, and churches in a time of crisis, and who defy an unpopular U.S.-made 'law and order' that protects rich American consumers and producers, and punishes underprivileged Mexican peasants."<sup>5</sup>

Smuggling enterprises, like many Mexican business enterprises, tend to be family- and region-based.<sup>6</sup> Extended family ties, along with equally extended political and social kinship (*compadrazgo*) ties, assure that no major enterprise can operate in isolation from society and politics. Any enterprise that needs respect and protection can probably obtain it. A leader can eventually make contact, directly or indirectly, with almost anybody he wants to. And once an operation gets well established, elite political circles or cliques (*camarillas*) at the local and national levels may begin including individuals who have contacts with the smugglers, if not the smugglers themselves.

Elite coalitions in Mexico normally include what, to American eyes, are incredibly diverse, contradictory tendencies. In the United States, it is normal for like-minded individuals to band together. But in Mexico, the *camarilla* system works best when the individuals in a clique cut across diverse ideological, institutional, professional, and other lines. This permits the coalition to tap into as many sources of information, power, and wealth as possible. Major smuggling enterprises cannot be ignored in such a system. Moreover, from a traditional Mexican nationalist perspective, a smuggler who sells to

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cultivation and trafficking; (2) arming of the campesino and professional trafficker with weapons often superior to those of local and national law enforcement officers; (3) open and increasingly violent defiance of law and authority; (4) infusion into the sierras of enormous sums of money from narcotics sales that came to dominate local and regional economies, politicians, judges, and police; and (5) the merging of these trends in areas that have traditionally been the breeding grounds for rural guerrilla movements. Together they posed a threat to the control by the government and the all-pervasive PRI over the entire country from Tijuana to Merida. Analyzed in combination with U.S. pressure, a tarnished international image, and a burgeoning drug problem at home, the development of a clandestine, well-armed, and very well-financed nexus in the countryside goes far in explaining why Mexican officials launched Operation Condor and why they show no signs of easing their antidrug offensive" (Craig, 1980, pp. 361-362). Also see Craig, 1978, and Craig, 1985. Lupsha, 1981, p. 101, makes similar points. He notes that "the states in which the drug trafficking groups were based were all centers of organized revolutionary, anti-government opposition during the Mexican Revolution, and some continue to be centers of guerrilla activity and ferment."

<sup>5</sup>Del Villar, in Roett (ed.), 1988, p. 200.

<sup>6</sup>One of the few scholarly studies of these enterprises is Lupsha and Schlegel, 1980. Some information also appears in popularized forms in Shannon, 1988, and Poppa, 1990.

Americans but is anti-American and keeps his money in Mexico may be more respectable, and less suspect in terms of nationalist credentials, than a businessman who admires and works for Americans in Mexico.

By all accounts, Mexico's intensive anti-narcotics campaign in the mid 1970s—notably Operation Condor—succeeded so well that by 1978 Mexico ceased being a major drug exporter. This success, the rapid rise in government revenues from oil exports, and nationalist impulses within the administration of President Jose Lopez Portillo (1976–1982) led Mexico to insist on expanding its own role and reducing the U.S. role in the so-called Permanent Campaign.<sup>7</sup> During the early 1980s, however, drug production and exports rose once again. In retrospect, it is clear that the major trafficking operations were far from destroyed.

The proposition is sometimes voiced, particularly in Mexico, that the narcotics boom since the mid 1980s resulted largely from the oil bust in the early 1980s. According to this line of argument, the oil boom in the late 1970s spread funds throughout the government-PRI apparatus, increased the incomes of the middle and upper classes, and whetted the appetite for corruption at high levels. When the economy plunged, some individuals and offices turned to exploiting the drug business and allowed it to expand as a major new source of wealth at the time.

But this is too facile an explanation. It appears that Mexico's major smuggling enterprises—for narcotics and illegal aliens going North, and for automobiles and other items going South—were largely organized in the mid- and late 1970s. The oil boom and bust may have facilitated their expansion, but they were already on their way to consolidation. Narcotics production and trafficking in Mexico were not spurred by the decline in the oil-driven economy, but by the continued demand in the U.S. drug market, along with Mexico's natural advantages. Even if the oil boom and strong economic progress had continued, Mexico would probably still be a major supplier of narcotics to the U.S. market. Besides, the regions in which marijuana and poppy cultivation occur were relatively untouched by the oil boom.

Another proposition argues that narcotics production and smuggling develop as a result of poverty and underdevelopment. To some extent, this assessment is true,<sup>8</sup> but again it is an oversimplification that misses important points. Most of the major smuggling

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<sup>7</sup>Toro, 1990a, pp. 242–244, touches on this point.

<sup>8</sup>Mexican peasants are willing to grow marijuana at lower prices than U.S. farmers partly because they can earn so much less from legitimate crops. Note, however, that Mexican farmers are better paid than their Bolivian or Peruvian counterparts.

enterprises are technologically and organizationally sophisticated. They may be filled with crude characters, but their operations rest on the latest advances in air and ground transportation, information and communications systems, financial operations, and, in the case of narcotics, weaponry. Such organizations exhibit functional specializations and complex networks that are not "underdeveloped."

After the termination of the U.S. bracero program in 1965, smuggling of aliens into the United States was conducted by adventurous loners who had little concern for security and by small family-based operations. But the growth of and competition for new business, the increasing importance of operational skill and security, and the shift from agricultural areas to cities as the destination of many aliens created a need for larger, better organized operations. Thus organized smuggling developed in the 1970s, and today it includes multimillion-dollar businesses, many of which are still based on families, each with its own turf. But they are functionally specialized operations, with different people serving as recruiters, organizers, guides, and credit collectors, and with staff on both sides of the border. Much of the smuggling is now done on credit, a phenomenon that emerged in the late 1970s.<sup>9</sup>

Organized drug smuggling developed in a somewhat parallel manner, but with a particularly pernicious manifestation of institutional corruption and complicity. During the 1970s, the police forces under the Office of the Attorney General (PGR), which had overall charge of the anti-drug campaign, remained quite professional. But a powerful office in the Government Ministry, the Federal Security Directorate (DFS), along with its police forces, fell into league with major drug traffickers. One interviewee suggested that the DFS's involvement with drugs may have grown out of "dirty war" operations that the DFS conducted against guerrillas and terrorists—e.g., the guerrilla groups led by Genaro Vazquez Rojas and Lucio Cabanas, the urban terrorist group known as the 23rd of September Communist League—in the early and mid-1970s in the states of Guerrero, Jalisco, and Sinaloa. According to this speculation, the DFS resorted to using local drug producers and traffickers as operatives, exchanging tolerance of their criminal activities for assistance with paramilitary operations. After the armed leftist groups were wiped out in the late 1970s, the DFS personnel went into business with the drug traffickers. Whatever the explanation, it became evident by 1985, following the kidnap-murder of Enrique Camarena, that the DFS had been in league with the traffickers; largely as a result of U.S. pressures, the agency was disbanded.

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<sup>9</sup>Observations from an interview with an experienced official of the U.S. Border Patrol.



There are estimated to be about 200 drug trafficking organizations in Mexico. But only a half dozen or so—all “poly-drug” operations—have been considered major.<sup>10</sup> How Mexican and U.S. anti-narcotics activities affect the size and vulnerability of these organizations remains a matter of debate. One Mexican analyst claims that “the impact of the U.S.-inspired eradication program on the market place has been . . . to give comparative advantage to large scale criminal organizations.”<sup>11</sup> But another analyst raises the concern that “if . . . effective actions in Mexico against these organized rings create a vacuum, it could be filled by a larger number of small smuggling groups. As a result, pressures would increase in the United States in favor of greater interdiction activities of drug enforcement agencies at the border, including the army.”<sup>12</sup>

By 1989, marijuana- and poppy-related production and smuggling was so endemic in some areas that the state and local governments and the major political parties—the PRI, the PRD (Democratic Revolutionary Party), and the PAN (the National Action Party)—had all been accused of having leaders or partisans with ties to the drug trade. Local politics and economics, especially in states like Guerrero and Michoacan, often turned out to be deeply intertwined with drug production and trafficking.<sup>13</sup>

#### **CURRENT CONCERNS IN THE STRUGGLE AGAINST CORRUPTION**

Everybody agrees that corruption is a serious problem in Mexico. But the debate continues over whether high-level corruption is systemic or individual in nature. Academic theorists have long argued that corruption in Latin American and other Third World systems may be functional—a stabilizing, institutionalized part of the culture and politics, “the glue that holds the system together and the oil that makes it work.” The most egregious cases of corruption are thus said to be the result of personal greed that violates the system’s standards. But experts on Mexico have also observed that corruption has played a virtually constitutive role in the post-Revolutionary Mexican system:

Comments today that the Mexican government has become corrupt are inaccurate. The PRI coalition, regardless of its ongoing pride in a political and social philosophy, was founded in 1929 to end constant internal wars over spoils by institutionalizing corruption.<sup>14</sup>

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<sup>10</sup>Cocaine appears to be smuggled by both heroin and marijuana organizations. It is less clear that any organization combines heroin and marijuana.

<sup>11</sup>Del Villar, in Roett (ed.), 1988, p. 200.

<sup>12</sup>Toro, 1989, p. 29.

<sup>13</sup>Mastretta, 1990, p. 56; also, Lynch and Simon, 1990.

<sup>14</sup>Migdal, 1987, p. 111.

Many instances of narcotics-related corruption may be localized and individualized, but there have been indications of institutionalized corruption, at both state and federal levels. In the worst cases, the dealings between traffickers and officials apparently went beyond complicity and took the form of partnership. The more one believed that narcotics-related corruption was systemic and institutionalized throughout the Mexican system, the more one was likely to believe that U.S. pressure and Mexican policy resulted mainly in the targeting of minor or independent operators and poor peasant growers, leaving the major traffickers and their allies untouched.

Money was inevitably involved, but it was not always the sole motivation for corruption. Lower-level accomplices may also be motivated by personal loyalty—going along with what their patronage groups were up to. High-level functionaries may become involved in corruption to obtain access to information, people, and other nonmonetary resources that can protect or enhance one's position, and perhaps the positions of others with whom one is associated. Corruption is a complex phenomenon that depends on many traditional social and political attributes of the Mexican system.

From a U.S. standpoint, Mexico could go a long way toward ameliorating the drug problem if it would aggressively address the corruption problem. In Mexico's view, this is not necessarily the case: Mexico's very campaign against drug production and trafficking, in the context of a continuing demand for drugs in the United States, is said to make corruption all the more endemic and intractable. As a rule, Mexican analysts do not like to address the issue of institutionalized corruption in their country. But one has commented:

To the extent that narcotics trafficking tends to produce corruption and violence in all the zones where it operates—based on the almost unlimited flow of narco-dollars produced by North American consumers—it is doubtless that the Mexican police forces have been constantly exposed to situations conducive to corruption, resulting in several cases that include upper-middle level officials who at the time were at the head of some national police body. In my view, perhaps one of the most negative consequences of the narcotics problem has been precisely that it has wrought delays and difficulties for the much needed professionalization of the Mexican police forces.

In this sense, the indefinite continuation of the [Permanent] Campaign will not foster the professionalization of the Mexican police: In a situation that all the time demands urgent and extraordinary measures, there is no respite for new approaches and techniques to mature. In turn, this situation is regrettable, because, as is well known, one of the main demands of the urban population of the country is the provision of better public security services.<sup>15</sup>

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<sup>15</sup>Ruiz-Cabanas, 1990, pp. 33-34. Translated from Spanish.

In rural areas, this analyst notes, the Permanent Campaign and the mistreatment it visited on many people diminished respect for the police, the army, and the Mexican state. Yet the traffickers were still seen by some as "redeemers," and in some places, they "presumed to substitute for the state."<sup>16</sup>

The awareness of Mexican officials and analysts of the corrosive effects of corruption on the prospects for reforming Mexico's political and economic structures was reflected in Mexican reactions to the Camarena-related detentions and trials in Los Angeles. Many were critical and defensive toward U.S. actions, but others expressed concern about what has been, and may still be, occurring in Mexico:

The crux of the Camarena case is not . . . who decided the death of the former DEA agent and how, but rather the revelation of intricate ties relating the drug trafficking with police and political power in Mexico. The testimonies of the witnesses for the prosecution do nothing but corroborate the reports that drug trafficking used to be—the key question is whether it still is—protected by the Mexican political system.<sup>17</sup>

Police corruption at the lower levels has originated from conditions that are very difficult to change from the top. Poorly paid police officers, subject to little supervision, routinely extort small sums from the citizenry. Changing that practice would require massive, long-term investments in improved training and higher pay for the large numbers of officers involved. High-level Mexican officials have admitted that they have great difficulty controlling the behavior of Mexico's police forces.

Soon after taking office, the Salinas administration began focusing on limiting higher-level drug-related corruption. According to one U.S. official in 1989, police officers were reportedly told that they should stop taking money that came from drugs, and several arrests and prosecutions suggested that the policy was being implemented. Rafael Caro Quintero, a prominent trafficker, was convicted in 1989 and sentenced to a long prison term. In addition, some officials accused by U.S. agencies of involvement in the drug traffic were removed from their posts. Nevertheless, many formerly high-level suspects remained untouched.

In connection with the development of a new national security apparatus, the Salinas administration has also begun to formulate a more systematic concept for dealing with corruption and complicity in official circles. In particular, public debate was expected to be

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<sup>16</sup>Ibid.

<sup>17</sup>Ramirez, 1990, p. 5.

focused on "the involvement in the issue area of the state governments"—a factor that had previously received little public attention.<sup>18</sup>

It is impossible to determine the impact of U.S. pressures on the Salinas administration's early efforts against narcotics-related corruption. Those efforts may have served, and thus been primarily guided by, internal and personal political interests, such as the president's control of his own party, the integrity of which had become a major issue in a system where opposition parties appeared to be increasingly important for the first time in many decades.

The accusations of corruption often reported by members of the U.S. Congress or in U.S. newspapers generally have flimsy evidentiary bases. One U.S. embassy official, no admirer of Mexican control efforts, admitted that the Mexican response to allegations had always been appropriate—please provide the evidence and/or make an indictment in the United States. In very few cases could the United States meet this reasonable demand.

Finally, while corruption was a serious problem in the 1970s and 1980s, it had not, according to some U.S. officials in the field, been the major impediment to U.S.-Mexican cooperation. The major impediment had been Mexico's exercise of its traditional nationalist concept of sovereignty, as discussed in the next section.

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<sup>18</sup>Carrillo Olea, 1990, p. 4.

#### 4. MEXICAN CONTROL EFFORTS: THE EXIGENCIES OF NATIONALISM

Histories of Mexican drug control efforts generally start with the 1969 U.S. Operation Intercept, which was a dramatic effort to raise the priority of the drug problem in Mexican policy (Craig, 1978). The United States intensified vehicle inspection procedures at the Mexican border, which created immense traffic jams and imposed heavy costs on the Mexican tourist and produce industries:

Although more than five million citizens of the United States and Mexico passed through this dragnet during the three-week operation, virtually no heroin or narcotics were intercepted from tourists. But . . . the ultimate objective of Operation Intercept was not to seize narcotics but to pressure Mexico to control it at the source by eradicating the production of marijuana and opium poppies in Mexico.<sup>1</sup>

The Mexican government protested the operation, and the United States relaxed the scrutiny in return for promises that the government would make more aggressive efforts against drug production and trafficking. Responding to U.S. pressures, as well as to growing internal concerns about guerrilla groups in some marijuana-producing regions, the Mexican government launched an aggressive program of crop eradication in the mid-1970s based on U.S.-supported aerial spraying. The effort was led by a new agency within the PGR, and it had dramatic results. Opium acreage decreased substantially between 1975 and 1977. Marijuana production also fell, though (as mentioned earlier) that may have reflected the decline in U.S. demand for Mexican-origin marijuana because of the perceived dangers associated with residual paraquat on the leaves. Interestingly, the U.S. government was exerting pressure only for spraying of the opium fields; the Mexican government took the initiative for spraying the marijuana fields as well, reflecting its concern that marijuana might become widely used domestically (U.S. House of Representatives, 1984, p. 10).

Three factors have been suggested as responsible for the early success of the spraying program, perhaps the only successful one undertaken in any major producing country.<sup>2</sup> First, before the spraying program was initiated, the growers had been subject to only very modest pressures. Therefore, they were growing both opium and marijuana crops in open fields in a relatively compact area, and these fields were extremely vulnerable to a rapidly

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<sup>1</sup>Epstein, 1978, p. 83.

<sup>2</sup>Belize, briefly a moderately important source of marijuana for the United States in the mid-1980s, has also substantially reduced production through aerial eradication.

implemented program (U.S. House of Representatives, 1984, p. 10). By 1986, the average size of fields detected in the eradication program had declined to less than 0.1 hectare (U.S. House of Representatives, 1986). Second, the program was implemented in a new, elite agency in which corruption appears not to have been significant. Third, the program received a sudden large infusion of resources, from both the Mexican government and the U.S. government.

By the mid-1980s, drug exports from Mexico were rebounding, and the spraying program was seen to be much less effective. The growers had clearly adapted, moving to better camouflaged, less accessible, and smaller fields, but it also appears that corruption had become routinized. For example, it is believed that some pilots were paid by growers to avoid particular areas or to spray with water instead of herbicide.<sup>3</sup> The program had lost its elite quality.

By the end of 1989, the Salinas administration had committed greater financial and manpower resources to control efforts. All indicators—e.g., numbers of government personnel devoted full time to anti-narcotics activities, aircraft hours flown on eradication missions, number and size of narcotics seizures, areas of cultivation destroyed, and number and level of traffickers captured—were up as a result of Salinas administration policies rather than U.S. aid. But the flow of drugs into the United States did not appear to have abated; it was probably actually increasing.

## **BASIC ELEMENTS OF THE MEXICAN CONTROL EFFORT**

The drug control effort was centralized under the authority of the PGR, and anti-narcotics activities accounted for the largest shares of the budgets and personnel of both the PGR and the army. There was little independent action by state or local agencies, reflecting the customary centralization of criminal investigative authority.<sup>4</sup> Over the years, the major police unit involved had been the Federal Judicial Police (PJF) of the PGR, but operations also often involved the Federal Highway Police.<sup>5</sup> During the De la Madrid administration, 1,600 PGR personnel were assigned full time to the anti-narcotics campaign; the Salinas administration increased this number to 2,700. More than 50 percent of the 1989 PGR budget was said to be devoted to drug matters, and that budget was also increasing.

The PGR had overall responsibility for eradication and interdiction, as well as for the detention and prosecution of producers and traffickers. The PGR controlled the large air

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<sup>3</sup>Craig, 1985, provides a much fuller discussion of the factors that may explain the decreased effectiveness of the Permanent Campaign and the resurgence of drug agriculture and trafficking in this period, ranging from technical and bureaucratic factors to the weather in 1984.

<sup>4</sup>Del Villar, 1989, provides many details.

<sup>5</sup>Until it was disbanded in 1985, the DFS also played a role.

fleet (more than 100 helicopters and fixed-wing aircraft), but army officers often accompanied pilots to help spot fields.

Army involvement in drug control efforts dates from at least the late 1940s, when the army was used to help eradicate illicit opium poppy crops. It was clear even then, however, that manual eradication would have little effect (Craig, 1978, p. 108).<sup>6</sup> In addition, the military perennially lacked necessary equipment and personnel for this kind of operation, particularly pilots, from the 1940s through the 1960s.

After the 1970s, the army worked in subordination to the PGR (although by some accounts the army had considerable independence of action). The army was involved in manual eradication, interdiction, and the detention of producers and traffickers. Its role in the latter, however, even including intelligence, was limited. The army could detain persons found to be in flagrant violation of the law, but the detainees had to be immediately turned over to the PGR.

The Mexican army made the control of drug production, particularly crop eradication, a major activity. The Mexican government frequently asserted that about one-quarter of the army's active-duty manpower—between 22,000 and 26,000 men—were regularly assigned to crop eradication.<sup>7</sup> During the marijuana harvest seasons in April and October, as much as half of the army's manpower was engaged in that activity.<sup>8</sup>

U.S. embassy officials were perennially skeptical of military claims of acreage eradicated. General Juan Arevalo Gardoqui, the former Secretary of Defense, claimed that between December 1, 1982, and August 10, 1987, the military destroyed 32,200 hectares of opium plantings and 31,000 hectares of marijuana. This amounts to about 6,500 hectares of each crop per year. Yet reports from the U.S. Department of State showed total cultivation areas of only about 6,500 hectares for opium and 8,000 hectares for marijuana (U.S. General Accounting Office, 1988). U.S. estimates of total area destroyed, through both military and civilian efforts, amounted to less than half the area claimed by the Mexican military.<sup>9</sup>

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<sup>6</sup>These early control efforts helped to ensure that Mexico remained a high-cost opium producer, unable to obtain a large share of the U.S. market until the early 1970s, despite its proximity to that market.

<sup>7</sup>No figures have been provided on the Mexican Navy's commitment to drug interdiction. The navy, which provides for Mexico many of the functions the U.S. Coast Guard provides for the United States, appears to have recently given considerable emphasis to drug control, as has the Mexican Marine Corps, which has military authority in the coastal areas.

<sup>8</sup>Various points above are from Wager, 1989. Aravelo Gardoqui, 1987, provides figures on the level of commitment and the accomplishments of the military drug control efforts through 1986. Also see Office of the Attorney General, December 1990.

<sup>9</sup>As discussed in the Appendix, the recent upward revision in official U.S. estimates of the extent of marijuana cultivation lends more plausibility to the eradication claims of the Mexican military, which make sense only if Mexico has far more land under cultivation than it has previously reported.

One characteristic of the Mexican control effort against marijuana and heroin, if not cocaine, was an apparent preference for capturing drugs rather than people:

As one observer commented: "the Mexicans would rather destroy plants than catch people." The Government appears unable or unwilling to arrest and or prosecute the major narcotics traffickers that are involved in production, processing and distribution of narcotics.<sup>10</sup>

In part, this may have reflected the involvement of the military, whose resources were better suited to eradication than to investigation and arrest. In addition, there was long-standing political concern about arresting numerous impoverished farmers.

However, the Salinas administration placed new emphasis on arresting and prosecuting major traffickers. Most of those targeted seem to be associated with the cocaine trade, which had no support from the rural population and provided few employment opportunities.

Overall, the eradication and interdiction program was a risky one for Mexico. Mexican officials frequently pointed to the very substantial casualties that the government incurred in its drug control efforts. In 1989 alone, 70 police and armed forces personnel were killed in actions against drug traffickers.

#### **NARCOTICS: A THREAT TO NATIONAL SECURITY?**

In early 1988, President Miguel de la Madrid Hurtado announced that the drug traffic was eroding Mexico's social and political institutions and declared it a threat to national security—a view since repeated and strengthened by President Carlos Salinas de Gortari.<sup>11</sup> In this respect, Mexico lagged only slightly behind the United States: Ronald Reagan, in 1986, was the first U.S. president to officially label the drug trade as a national security threat.

For Mexico, this was a major conceptual, policy, and institutional change. In the United States, the language of "national security" is taken for granted. In Mexico, this language has been avoided for decades. Mexico has long preferred the language of sovereignty, but the traditional nationalist concept proved too narrow for dealing with a series of external and internal developments that have occurred since the mid-1970s, including the conversion of Mexico into a petroleum exporter, the conflict in Central America,

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<sup>10</sup>U.S. House of Representatives, 1987, p. 35.

<sup>11</sup>Salinas referred to drugs as a national security problem throughout his presidential campaign in 1987 and 1988. That national security thinkers in Mexico had already begun to identify drug trafficking as a threat is also indicated in Noe Torres, 1988.



security problems along Mexico's southern border with Guatemala, concern about Mexico's own stability, and the rise of issues like debt and drugs. But only drug trafficking has been officially called a threat to national security. According to President Salinas,

The fight against drugs is a high priority in my government for three fundamental reasons: because it constitutes an assault on the health of Mexico's citizens, because it promises to affect Mexico's national security, and finally, because the community of nations must stand together on this issue.<sup>12</sup>

In a 1990 newspaper interview, one of Mexico's top national security officials affirmed that drug trafficking deserved to be defined in such terms "as much for the destructive internal effects as for the possibilities it opened for foreign meddling in national life."<sup>13</sup>

Exactly what convinced Mexico to define drugs as a threat to national security remains unclear. What this definition means and its possible consequences are also unclear. For the United States, labeling drug trafficking a national security threat provided a clear, legal basis for deployment of the U.S. military services in support of interdiction agencies such as the Customs Service and the Coast Guard. But for the Mexican government, it serves no such purpose—the military has been involved for four decades already.

Initially, the declaration gave President De la Madrid the opportunity to effect several institutional changes to further coordinate the fight against drugs, including the establishment of a Cabinet-level committee led by the PGR's Attorney General and the secretaries of government and health. But the development of a new national security apparatus was already well under way. This apparatus was gradually installed during the 1980s, then topped by a low-profile council and a nascent intelligence center under the presidency soon after the Salinas administration assumed office.

### **The New National Security Apparatus**

During the De la Madrid administration, a prototype for a national security council, though not publicly recognized, apparently began to meet in an informal, ad hoc manner, partly through interagency task forces. The DFS would normally have played a major role in national security policy, but it had been disbanded in 1985. It was replaced by the new General Directorate for Investigation and National Security (DGISN), within which a special new center, the National Office for Information and National Security, was created for

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<sup>12</sup>Salinas de Gortari, 1989a. To confront the "common enemy," he also said, "Mexico will endorse any bilateral or unilateral agreement whose objective is to enforce a program in all countries."

<sup>13</sup>Carrillo Olea, 1990, p. 1.

intelligence and analysis regarding national security issues.<sup>14</sup> Narcotics-corrupted personnel from the DFS were reportedly kept out of these new offices.

Institutional innovation has proceeded since President Salinas took office in late 1988, and his term may result in the consolidation of the new national security apparatus. The Offices of the President have been reorganized to create the Office of Coordination of the Presidency, and a series of special *gabinetes* (Cabinet-level councils) for key issue areas have been placed under it. The national security council was formally created, with representation from the secretaries of government, foreign relations, national defense, and the navy, along with the Attorney General. The drug problem is one of the issues with which it is concerned.<sup>15</sup>

In early 1989, the DGISN and the office under it were transformed into the Center for Investigation and National Security (CISEN). Its intelligence-gathering functions were expanded in the direction of making it a professional, national intelligence agency with capabilities for conducting opinion polls and analyzing political, economic, and social conditions in the country. Whereas the DGISN had reported to an undersecretary in the Government Ministry, there was no longer an undersecretary for national security. The new center was supposed to report directly to the Secretary of Government, but in practice it reported primarily to the Office of Coordination of the Presidency. The center was also elevated to the status of an "agency" (meaning it ranked higher than a "general directorate" in the hierarchy).<sup>16</sup>

Thus the new national security apparatus became increasingly connected to the presidency and independent of the Government Ministry. This represented a major change (although it may be argued that the old DFS was also tied more to the presidency than to the ministry). The changes reportedly created some tensions between the center and the ministry.

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<sup>14</sup>The new directorate and office also absorbed the intelligence functions that had long been assigned to the General Directorate for Political and Social Investigations in the Government Ministry. These two important, now-defunct directorates were first established in the Government Ministry in 1947 under the guidance of Miguel Aleman Valdes (Secretary of Government, 1940-1946; President of Mexico, 1946-52), during a period when the military was being removed from political influence and Mexico needed to expand its civilian internal security and political intelligence apparatus.

<sup>15</sup>The other *gabinetes* are responsible for economic, agricultural, social welfare, and foreign policy issues. Each has a "technical secretary" (or administrator) who reports to the head of the Office of Coordination of the Presidency. The head of the national security council was Col. Jorge Carrillo Olea, a highly respected official who has since moved to the PGR to take command of the anti-drug campaign.

<sup>16</sup>Some of the information about the evolution of the national security apparatus comes from the impressive article by Sergio Aguayo, in Aguayo and Bagley, 1990, but we have also drawn information from other sources. While the CISEN appears to exist in some bureaucratic limbo between the presidency and the government ministry, the same was also true of the DFS.

Meanwhile, other institutional changes occurred that, while not directly related to national security, strengthened the government's anti-narcotics capabilities. In late 1988, the PGR was reorganized to create the Office of the Assistant Attorney General for the Investigation and Combat of Drug-Trafficking. A total of 1,500 new police positions were added to the Federal Judicial Police under this office to create special units for rapid interdiction. In 1990, another reorganization of the PGR added to the aforementioned office the office of General Coordination for the Investigation and Combat of Drug-Trafficking for interagency coordination. Meanwhile, the army reportedly formed a new staff section (S-10) for special operations that focused largely on anti-narcotics concerns. And in 1981, the military opened a National Defense College to provide selected senior officers with an advanced education in national security matters that for the first time included political and economic topics.

The declaration of a national security threat may have helped the army's leadership renew support for the anti-narcotics mission at a time when this mission appeared to be coming under question. Some officers were concerned about the corrosive, corrupting effects that drug control could have, and was having, on the military and its integrity. Some officers may also have objected that theirs was the only military service in all Latin America engaged full-time in police-type anti-narcotics activities—an objection that may have been relieved by recent commitments of the Colombian and Peruvian militaries to the anti-narcotics mission. Finally, many officers reportedly did not like taking orders from the PGR and its police officers.

In any case, Mexico's national security concept helped justify the army's involvement in the anti-narcotics effort (and its acquisition of additional equipment) in a period when traditional concepts—e.g., political sovereignty, national defense, the social role of the military—were no longer adequate for framing the problem. Mexico's national security doctrine-in-the-making, although secret, was said to emphasize the political and socioeconomic dimensions of security, but it also helped define the role of the military and its relations with civilian institutions while Mexico was undergoing a major structural transformation.

### **Terms of the Debate**

Most observers believe that fear of "Colombianization" was a primary reason for Mexico's defining drug trafficking as a threat. In Mexico, as in the United States, the Colombian traffickers were seen as more violent and virulent than other groups. The economic, paramilitary, and political power of the Colombian cartels in their home country

was seen as a portent of what might happen in Mexico if the power of the traffickers were not contained at an early stage.

But this leaves questions unanswered about the meaning of the term "Colombianization" in Mexico. In a general sense, it refers to "the drug cartel coming to represent an independent empire rivaling even the central government" (Dziedzic, 1989, p. 32). But to be more specific, does it refer to Medellin, the worst example? Transplanted to Mexico, such a cartel would violate the limits of toleration discussed in Section 3. The situation in Culiacan, Sinaloa, was close to this in the late 1970s. Or does the term refer to the Cali situation, where the cartel may at times coexist in a symbiotic relationship with the legitimate structures of power? The state of Durango, and perhaps the city of Mazatlan, Sinaloa, may have been closer to this model during the 1970s and 1980s. To the extent one believes there was collusion between the traffickers and some officials, the situation in Guadalajara in the 1980s resembled Cali; but a case may be made that it was moving in the direction of Medellin.<sup>17</sup> Does "Colombianization" include the possibility of a nexus emerging between the drug business and revolutionary guerrilla and terrorist groups? That apparently occurred in several states in the 1970s and remains a favorite scenario for some worst-case speculators today. But the only overt sign that guerrilla-like activity may reappear involved a dubious, ephemeral little group—the Clandestine Workers Revolutionary Party—People's Union (PROCUP)—that had no evident ties to the drug business.

Whatever the meaning of "Colombianization," for Mexico's presidents to label drug trafficking a national security threat made the drug war more clearly serve Mexico's own national interests, not just those of the United States. President Salinas affirmed on various occasions that the drug traffic damages not only the United States and U.S.-Mexican relations, but also the health of Mexicans and the internal security of the country. The prime purpose of the new label thus seemed political rather than legal or programmatic, providing a basis for rallying new political support for an increasingly expensive, difficult, and controversial effort. That the cocaine trade now involved powerful non-Mexicans made this labeling easier.

But that was not the only current of thought in the quiet, cautious debate that arose in Mexico about national security and Mexico's needs to develop its own concept and doctrine. For many exponents of national security thinking in Mexico, the concept was double-edged. Those who were critical of Mexican policy felt that the drug traffickers were not the threat to

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<sup>17</sup>Walton, 1970, provides an early comparison of political and economic conditions in Cali and Guadalajara, without even mentioning narcotics issues; he finds more differences than similarities.

Mexico's national security; rather, it was the U.S. failure to stem U.S. demand and the aggressiveness of the United States toward Mexico—e.g., the Mexico-bashing in Congress, the pressures on Mexico to do what the U.S. government wanted, and the perceived high-handedness of DEA activities in Mexico—that were creating the problems for Mexico's national security. According to one prominent Mexican policy analyst,

While Mexican officials can be easily corrupted by drug money, the source of the corruption is a sector of U.S. society equally prone to corruption. It follows that Mexico is not creating problems for the United States; on the contrary, the demand for drugs in the United States is the most serious national security problem for the Mexican government. It is fueling corruption, creating private armies, and taking a heavy human toll.<sup>18</sup>

In a similar vein, a Mexican expert on narcotics issues claimed that his country had lost sight of its national interests and had become the "victim" of U.S. policy by emphasizing crop eradication:

Such [eradication] campaigns have distorted the structure of justice and national security in Mexico. More than sixty percent of the budget of Mexico's Attorney General's Office, and the core of the military and national security apparatus, are allocated to eradicate northern-bound plants, while decreasing amounts of Mexico's federal justice and security resources are dedicated to serve the interests of Mexicans. The fundamental damage that the U.S. narcotics market produces in Mexico is corruption of its public service. This is magnified precisely because of the massive involvement of the security and enforcement apparatus in eradication campaigns. The financial, security, and corruption costs of such an involvement have become unbearable.<sup>19</sup>

Yet another Mexican analyst indicated that one's definition of drugs as a national security threat depended on the way one balanced the external and internal factors behind it. To the extent that it was cast in external terms, the risk came from both "the clandestine entry of drug traffickers entering from other countries (possibly in association with Mexican drug traffickers) and from a more active (and unauthorized) participation of DEA agents on Mexican territory."<sup>20</sup> But to the extent that the risk was cast in internal

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<sup>18</sup> Aguayo, 1988, p. 161.

<sup>19</sup> Del Villar, 1988a. Earlier, just after he resigned as an adviser to President De la Madrid's campaign for "moral renovation," Del Villar observed: "What worries me is the velocity that corruption is accelerating through the Government. It's the most important threat to national security we face. If the Government doesn't do something about it, it will destroy our country. . . . I have watched the most distinguished police comandantes, the best the federal police had in the 70's, inevitably become corrupted. If you move the army into drug enforcement, inevitably they will be corrupted too. It's impossible to resist, especially in these times of economic crisis." (From an interview quoted in Brinkley, 1986, p. 4.)

<sup>20</sup> Toro, in Aguayo and Bagley, 1990, p. 376.

terms, primarily the concern with preventing drug mafias from developing political power bases, then it might be concluded that drug trafficking "represents a public order problem and an affair of the State, but not a national security threat."<sup>21</sup> There was widespread unease in Mexico about the definition of drugs as a national security threat, and it was often said that this did not mean it was an immediate risk, only a potential future one.

The drug issue had a significant effect on Mexico's internal debate about what kind of a national security concept Mexico should have. There were many who would like to see Mexico's traditional, defensive concept of national sovereignty kept as the heart of any new national security concept. This may well have been the most sensitive aspect of the Mexican debate, and it is unlikely that Mexico's concept of national security will end up resembling that of the United States. President Salinas was clear on the limits of Mexican collaboration with the United States: "We will cooperate, but the responsibility for the fight in our country is exclusively ours, and therefore, there will be no joint military operations on our soil."<sup>22</sup> In other words, "hot pursuit" by U.S. agents across Mexico's northern border was not permissible; it would violate Mexican sovereignty. Our interviews also suggest a sovereignty-related reason for Mexico's slowness in installing radar along its southern border.

#### **The Issue of Radar Along the Southern Border**

As the De la Madrid administration was coming to an end in late 1988, the Ministry of National Defense announced the procurement from a U.S. company of a mobile radar system for installation along the border with Guatemala, primarily to permit systematic interdiction of airborne drug smuggling from Colombia. The equipment, costing about \$40 million, was to be partly financed with U.S. Export-Import Bank assistance.

This radar assumed considerable symbolic significance. It appeared to respond to a long-standing concern of the U.S. government about weak coverage of air traffic in the southwestern Caribbean (Mexico had earlier refused to participate in a Caribbean Basin radar network, citing sovereignty issues). From a U.S. viewpoint in 1989, the effective utilization of this new equipment was an important criterion for determining whether the Salinas administration was serious about suppressing the drug trade.

However, there were grounds for skepticism about the ability of the radar to improve interdiction performance in the near future. Three reasons could be cited:

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<sup>21</sup>Ibid., p. 383.

<sup>22</sup>Salinas de Gortari, 1989b, p. 12.

1. The radar, though potentially mobile, would require an additional investment of \$25 million in facilities (e.g., barracks and communication links) to be operable; this expense was not included in the Mexican military budget at the time.
2. Even if the radar were operational, it would cover too narrow a band to present any serious obstacle to smugglers. The Yucatan peninsula, a major flight path, would not be covered, and the radar could be evaded by a short flight over the Pacific.
3. The Mexican Air Force had neither the intelligence-gathering nor the pursuit capabilities to support the radar. There was no integration with Guatemalan authorities, so no information would be available about a plane before it entered Mexican airspace. The available interceptors were aging T-33s, whose capabilities might be strained by some of the newer smuggling planes. Finally, the authority to force a plane down was vested with the Minister of Defense personally; the time to get a decision was likely to exceed the time available.

The initial Mexican enthusiasm for this investment, a large one by the standards of their military, particularly the air force, was difficult to explain. One view was that the procurement was tainted, its purpose being to permit high officials in the National Defense Ministry under the De la Madrid administration to extract bribes. Slightly less cynical was the suggestion that the departing administration wished to symbolize its commitment to the anti-drug fight in its final days. A third view was that the primary purpose of the radar was not surveillance of drug smuggling, but the development of a capacity to see into Guatemalan airspace in the event of political instability along the border.

Whatever the reasons for its initial interest in installing the radar, the Mexican government seemed more responsive to U.S. overtures regarding its southern border than to those regarding its border with the United States. This was a welcome development for U.S. officials. Seeing the radar installed certainly made sense from a U.S. perspective; the installation should strengthen Mexico's security (and hence its sovereignty).

Nonetheless, Mexico's interest waned during 1989 and 1990, surely reflecting persistent sensitivities about sovereignty as the touchstone of national dignity and security. It may have initially been thought that the United States would be less likely to try to influence Mexican enforcement efforts on the southern border; moreover, the radar would focus on drugs entering rather than exiting Mexico. But as one interviewee suggested, from a Mexican perspective, it became clear that once the radar became operational, the military might have to acknowledge that Mexico's airspace was being violated. Worse yet, the

military would have to suffer inevitable U.S. "pressures" (a violation of sovereignty) concerning how to use and upgrade the radar.

At the time, the radar issue reflected Mexico's emphasis on independence in its decisions (the U.S. military appears not to have been consulted on this procurement), the continuing importance placed on symbolic actions rather than those of proven effectiveness (often a failing of U.S. as well as Mexican drug policy), and the persistent lack of knowledge on the part of U.S. officials about the motivation and significance of Mexican actions. It would take the emergence of a new nationalist mentality in Mexico, among other changes, to bring the radar issue to fruition.<sup>23</sup>

### **EMERGENCE OF A NEW NATIONALIST MENTALITY**

Mexicans have often expressed their resentment of imperious U.S. pressures to deal with problems. Mexicans have also frequently criticized the United States for trying to manipulate one issue to pressure Mexico on other issues, to raise concern about Mexico's stability, or to damage Mexico's image for political reasons. These were prominent themes in Mexican criticism of U.S. policy during the multiple political, economic, and social crises of the 1980s, when many Mexicans argued that the United States was deliberately exaggerating the drug problem to the detriment of Mexican sovereignty and security, possibly to compel Mexico to change its policies toward Central America (Gonzalez, 1985).

These points have often been made by Mexican analysts—and have just as often been dismissed in the United States. But a more subtle point emerged in the case of the radar issue: Mexicans may hesitate to solve a problem because they sense that fixing one problem will lead to a never-ending cascade of new U.S. pressures to solve the next problem. This point is not so easily dismissed.

Many Mexican analysts and officials have felt that the United States is never satisfied with Mexico's accomplishments. Each accomplishment led to new U.S. demands and pressures; this in turn led to new security and sovereignty risks for Mexico. Meanwhile, the Americans constantly insinuated that Mexico could not or would not do things right. Mexican sensitivities about this pattern help explain the Mexican government's repeated rejections of U.S. proposals for joint task forces, joint police or military operations, and "hot pursuit" of the major drug traffickers and their organizations. In Mexico's view, their

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<sup>23</sup>The reader is again reminded that this study does not cover events in 1991; the radar issue may continue to develop.



powerful neighbor would try to dominate and expand any joint involvement in such endeavors:<sup>24</sup>

If, for instance, effective actions in Mexico against these organized rings create a vacuum, it could be filled by a larger number of small smuggling groups. As a result, pressures would increase in the United States in favor of greater interdiction activities of drug enforcement agencies at the border, including the army.<sup>25</sup>

In this view, if cooperation were not kept under control, Mexico's security and sovereignty might be undermined; Mexico might lose control over enforcement in its own territory and become subject to a progression of "external pressures, interference, blackmail, and ultimatums."<sup>26</sup>

While some Americans may regard nationalism as a cover for corruption, a strong case can be made that nationalism (and not corruption) was the key factor defining Mexican policy, and also the key impediment to U.S.- Mexican cooperation. This is not solely a Mexican phenomenon; according to one analyst, "national sovereignty, while presenting no effective barrier to TDC (transnational drug cartels), has been a considerable impediment to anti-drug programmes" wherever Latin American countries have sought to cooperate with the United States.<sup>27</sup> The drug issue is one of the first to be defined as a national security problem in Mexico, but it is also one of the last to be affected by Mexico's recent evolution toward a more modern, open concept of national sovereignty.<sup>28</sup>

### **Toward a New, Open Concept of Sovereignty<sup>29</sup>**

One of the most important struggles under way in Mexico in the late 1980s, and one which permeated all major policy debates, concerned the definition of nationalism. There were many signs that traditional nationalism was giving way to a new, modern nationalist mentality.<sup>30</sup>

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<sup>24</sup>Toro, 1990a, discusses the issue in detail, citing the views of former Attorney General Sergio Garcia Ramirez, as found in Garcia Ramirez, 1988, a volume we did not have available for this study.

<sup>25</sup>Toro, 1989, p. 29.

<sup>26</sup>Ibid. Noe Torres, 1988, p. 33, similarly notes: "Although it seems paradoxical, the 'war against drugs' has united the two countries in a close collaboration and at the same time created divergence, discord, pressure, and blackmail."

<sup>27</sup>Dziedzic, 1989b, p. 544.

<sup>28</sup>The first issue to be termed a national security problem was not narcotics, but the incursion of Guatemalan guerrilla and military units along the southern border in the 1970s and 1980s.

<sup>29</sup>This section draws on Ronfeldt and Ortiz, 1990.

<sup>30</sup>The intellectual struggle is being played out in the pages of two impressive magazines: *Nosotros*, edited by Hector Aguilar Camin, and *Vuelta*, edited by Octavio Paz. Articles by Paz have provided particularly important statements of Mexico's need to rethink and modernize its nationalism and to come to grips with democratization and decentralization.

Nobody knew quite how to define the new mentality yet, but as one Mexican stated, the change was reflected in the way questions were asked, particularly regarding the United States: The traditional nationalist asked "whether or not" to do something with the United States—with "not" the preferred answer. In contrast, the new nationalist asked "under what conditions" Mexico should do something with the United States—a change that spelled new confidence and resolve, opening the door to discussion, negotiation, and accommodation.

The new mentality was no less nationalist than the old. The desire to develop a strongly independent Mexico remains paramount, and the new mentality was equally concerned with sovereignty, the touchstone of nationalism. But sovereignty was no longer viewed as though autarchy were the ideal. Interdependence with the United States was no longer viewed as necessarily contradicting Mexico's desire for independence. The traditional mentality aspired to closing Mexico up around a monumental state and rejecting relations with its neighbor to the North, i.e., to creating an autarchic Mexico. In contrast, the new mentality evinced unusual openness to the outside world and foresaw that openness, properly structured, as enhancing Mexico's sovereignty and security. As this sea-change in thinking developed, Mexico's interactions with the outside world, especially the United States, were increasingly viewed in terms of mixed costs and benefits rather than absolutes.

This transformation in nationalist thinking was initially manifest only in a small part of the elite clustered around President Salinas. But the new thinking has spread to elites on both the left and right of Salinas and his team. Most of the headway was made in the area of economic policy. But by 1990, a pronounced change was becoming noticeable in the area of drugs as well.

### **The Issue of Overflights<sup>31</sup>**

The Salinas administration revived the Permanent Campaign. It pursued vigorous, innovative measures, especially against cocaine trafficking, and it has committed Mexico to the highest levels yet of cooperation and coordination with the U.S. government. In particular, the PGR established new offices and bases throughout Mexico, manned by the 1,500 new anti-drug agents. These included a number of new rapid-response strike forces, with helicopters and fixed-wing aircraft, that could help track overflights and intercept planes and crews that land in Mexico to unload or transfer their cargoes.

During 1990, the most important of these strike forces, the Northern Border Response Force located near the U.S. border, began a test of a new program to intercept cocaine-laden

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<sup>31</sup>This section was prepared after most of the research for this project was completed, and it is based primarily on media sources.

aircraft heading for the United States from South America. The program involved relaying to the PGR, and hence the Northern Border Response Force, tactical intelligence about aircraft heading its way. The intelligence would come from a tactical analysis team newly installed in the U.S. Embassy in Mexico City, much like the teams being installed in other countries with anti-narcotics programs. A unique aspect of the team in Mexico was that it was joint DEA-DOD, and while some of the tactical intelligence may have originated from military sources at U.S. Southern Command (SOUTHCOM) in Panama, a key source was U.S. Customs Service agents flying P-3 AWACS aircraft. If they spotted a drug flight in the Pacific or the Caribbean, they might track it by overflying parts of Mexico until they could hand off to the PGR.

The program was halted by publicity after six weeks of testing and training. During these six weeks, the Northern Border Response Force seized about 19,000 pounds of cocaine and captured several aircraft, their crews, and other conspirators.

The publicity that broke in June implied that the tactical team belonged to the U.S. military and that the P-3s were routinely overflying Mexico in violation of its sovereignty. This provoked a press furor and heavy criticism of Salinas by the political opposition. Mexico's Ministry of Foreign Relations (SRE) expressed outrage at U.S. behavior and had the P-3 overflights suspended. The tactical analysis team was reportedly closed down, and Salinas found himself denouncing the presence of any foreign military assistance unit on Mexican soil.

Bureaucratic politics played an important role. The program was arranged and coordinated between the DEA and the PGR, without including the SRE, whose officials became enraged when they found out. From a traditional perspective, the SRE should have been included. But from another perspective, this case may show that the drug issue area is following a pattern developed in economic policy years ago, whereby the U.S. Departments of Commerce and Treasury and Mexico's Ministry of Commerce and Industrial Development (SECOFI) learned they could make better progress on matters of mutual interest if the U.S. State Department and the SRE were kept on the margins. More than any other arm of Mexico's executive branch, the SRE is the repository of Mexico's traditional concept of sovereignty; it is historically inclined to constrain cooperation on principle, more than to advance it on pragmatic, technical grounds.

Mexican and U.S. officials gradually overcame the impasse, and a new cooperation agreement that had been in the works for months was announced soon after a new PGR director of anti-narcotics activities assumed office in October 1990. The agreement reportedly specified conditions under which P-3 aircraft may overfly Mexico and provide

information to the PGR. To enable the PGR to receive handoffs from P-3s and track smuggler flights inside Mexican airspace, the PGR announced it would acquire two Cessna Citation fixed-wing aircraft with advanced down-looking radar; these aircraft would be operated exclusively by Mexican crews. Moreover, the United States planned to loan to Mexico approximately 20 Bell UH-1H (Huey) helicopters. The program also included training for PJF officers.

Thus by the end of 1990, even though marijuana and opium production were at high levels, successes in cocaine interdiction and the overall effort against all forms of drug production and trafficking indicated that the Salinas administration was doing more for drug law enforcement than had any other Mexican administration. Problems between Mexico and the United States have persisted since Salinas took office in 1988—most notably, the continued fallout from the kidnap-murder of Camarena, including the abduction to the United States of Dr. Humberto Alvarez Machain, convicted in a Los Angeles court of participating in the torture of Agent Camarena. But cooperation at the working level became quite good and reasonably effective.

Unfortunately, increased effectiveness in Mexico began to displace the South American aerial smuggling routes into neighboring Guatemala, which has become a major producer of poppy plants introduced some years ago by Mexican traffickers. Partly because of this, Mexico continued to ready for operation the radar installed on its southern border.

#### **FUTURE DYNAMICS**

Impressive as the intensified efforts of the Salinas administration have been, the kinds of lasting effects they will have remain uncertain. Throughout its history, Mexico's control efforts have been riddled with instances of official corruption. Yet the federal government has shown no ambivalence about the desirability of reducing drug production and trafficking. The bulk of the funding for drug control has been provided by the Mexican rather than the U.S. government. And the Mexicans have taken the initiative in shaping their programs. Despite the shortcomings of its programs, Mexico has cooperated with the United States more than any other major source country.

The future of Mexican drug policy may be affected by the way in which anti-narcotics campaigns give rise to collateral issues that unexpectedly undermine Mexico's ability to persist over the long run. In the late 1970s, the major collateral issues were the imprisonment of Americans arrested in Mexico on charges of drug possession and the appearance of paraquat residues that made Mexican marijuana seem like a health hazard to American youth. Both issues led to criticisms by the U.S. media and the Congress that

created resentment among Mexican officials who felt they deserved favorable attention for prosecuting the war against drugs. Scientific revelations about the local ecological and health effects of paraquat spraying also upset Mexican officials.<sup>32</sup>

A collateral issue of rising prominence is that of human rights violations by Mexican security forces. According to a recent, highly publicized report by Americas Watch, based on interviews in Mexico, many such violations have been committed by Mexico's anti-drug police.<sup>33</sup> Indeed, many Mexican critics claim that Mexico's increasing anti-drug cooperation with the United States is a key factor that explains the deteriorating human-rights situation.<sup>34</sup>

President Salinas responded to this criticism quickly by creating a distinguished National Commission on Human Rights. He also changed the regulations governing prisoner interrogations and confessions and ordered the dismantling of roadside drug-detection checkpoints, most of which were manned by the PJF, which had become a source of numerous public complaints about abusive police behavior. One drug trafficker was subsequently released because the commission called attention to the fact that his arrest involved a violation of legal rights. There has been speculation that traffickers and their allies may, in some areas, be able to manipulate attention to the human-rights issue and thereby constrain police and military roles, but so far this does not appear to be happening.

Meanwhile, Mexico remains concerned about the long-term effects of the U.S. demand for drugs. Its continuation means, first of all, that if Mexico is able to cease being a significant supplier, another supplier will be substituted. But in addition, as Ruiz-Cabanas (1990) indicates, it may prove difficult over time to prevent a resurgence of Mexico as a U.S. supplier. And the next generation of drug producers and traffickers is likely to be more sophisticated, dangerous, and powerful than the preceding generation. That, for Mexico, is one of the lessons of the 1970s and 1980s, and it is a source of worry for the 1990s.

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<sup>32</sup>Noe Torres, 1988, discusses some of this.

<sup>33</sup>Americas Watch, 1990, argues: "One or both of two conclusions must be drawn from this pattern of excessive violence and abuse: either the Mexican government has adopted a policy of tolerating such behavior, or it has lost control over its police, security, and prosecutorial agencies. . . . Recent events portend that rather than moving towards improvements in human rights conditions, Mexico may be heading for a period of increased violent abuses and suppression of dissent" (p. 8). Compared with concerns about the reemergence of an armed revolutionary left, "the far greater threat to Mexico's national security is the undisciplined, corrupt, and violent practices of elements of its police and security forces. Systematic reform of these forces is needed immediately if Mexico is to curb future human rights violations" (p. 10).

<sup>34</sup>See, for example, Cardenas, July 20, 1990. Werner, 1990, tells about villagers in Sinaloa being unjustifiably harassed and beaten by army troops and argues that U.S. pressure for Mexico to improve its image leads to such incidents. U.S. officials and U.S. public opinion are favorably impressed by the arrest of known drug traffickers, not by the kind of back-country case Werner describes. However, it may be worth asking whether, under some circumstances, U.S. pressure may indirectly engender an indiscriminating local response.

## 5. U.S. CONCERNS ABOUT INTEGRITY AND EFFECTIVENESS

Relations between Mexico and the United States with respect to the drug issue have rarely been smooth. From the beginning, Americans have voiced concerns about the corruption among Mexican officials and their exaggerated claims as to the effectiveness of their efforts. This has been matched by an equally long record of Mexican objections about the obtrusive and moralizing nature of U.S. "intervention" and "interference."

These complaints were voiced as far back as the early 1940s:

Some destruction of poppies took place in January, March and April [1942], observed by special Treasury Department employee Salvador Pena. He disputed Mexico's contention that one-third to one-half of the crop had been destroyed, for he believed that numerous fields had been harvested before being burned. Also, the destruction occurred only in Sinaloa—not in Durango, Sonora and Chihuahua where it was needed as well.

In [the U.S. representative in Mexico's] opinion, [the governor of Sinaloa] was not making a genuine effort to restrict production. Creighton even suspected that United States funds marked for antinarcotic assistance were ending up in the pockets of smugglers. . . . To officials in the United States, relations with Mexico seemed destined to follow a pattern of conference, promises, and nonperformance.<sup>1</sup>

Just after the DFS was formed and was being used in the first major campaign to eradicate opium production in the late 1940s, it was already suspected of being corrupted by drug producers and traffickers (Aguayo, 1990).

Some observers believed that little had changed even by the end of the 1980s. A 1989 House Foreign Affairs Committee report on drug control activities in the Latin American source countries concluded: "Given the limitations of the host governments, all meaningful anti-narcotics activities have been (and will for the conceivable future be) conceived, financed and implemented or supervised by the United States" (U.S. House of Representatives, 1989, p. 1). That has clearly not been true for Mexico in the past fifteen years. The United States has been influential in cajoling the Mexican government to take action at various times, but Mexican drug control activities are very much conceived, financed, and implemented by Mexico itself.

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<sup>1</sup>Walker, 1988, pp. 166-167.

## BACKGROUND ON U.S. POLICY

Mexico has been the main recipient of U.S. funds for drug control over the past fifteen years. Between 1974 and 1985, Mexico received \$115 million, more than any other country, through the Bureau of International Narcotics Matters. In 1989 and 1990, it remained the single largest recipient (\$15 million each year, out of a total budget that is expanding beyond \$100 million per year). As cocaine has come to the center of U.S. concerns, Colombia and Peru received larger shares than Mexico for FY 1991, but Mexico will still receive \$18 million out of a total budget request of \$150 million.

The funds have gone almost exclusively to crop eradication efforts,<sup>2</sup> in particular to support a fleet of almost 100 planes capable of spraying in difficult terrains. No U.S. funds have been made available for crop substitution programs of the kind that have been funded (with little if any success) in Peru and Thailand (Reuter, 1985). Indeed, the first national drug control strategy (ONDCP, 1989) expressed disapproval of crop substitution programs in "nontraditional" growing areas—and Mexico's growing areas are all new enough to be classified as nontraditional.<sup>3</sup>

One widely held view in the U.S. Congress has been that the Mexicans have exploited funds for eradication—they only carry out the program to keep the United States at bay. This is exemplified by U.S. Representative Larry Smith's comment on the lack of verification procedures for Mexican eradication claims in 1986: "Wasn't that kind of naive on our part? Give them 80 some odd aircraft and let them almost do as they please" (U.S. House of Representatives, 1986, p. 110).

Yet the Mexican government has been the only major producing-country government in Latin America to permit aerial spraying, the activity most strongly promoted by the U.S. government.<sup>4</sup> Manual eradication, the alternative used by the Mexican military and by most other Latin governments, is much less effective.<sup>5</sup>

The United States has also exerted pressure for more cooperation in interdiction along the Mexican-U.S. border; for example, it has sought Mexican agreement to allow "hot

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<sup>2</sup>A small amount has been given in recent years to drug education and treatment programs in Mexico.

<sup>3</sup>The Mexican government has reached agreement with the United Nations Fund for Drug Abuse Control (UNFDAC) for a \$15 million grant to finance crop substitution programs in the provinces of Guerrero, Michoacan, and Oaxaca. These are all marijuana production areas, and the programs may be the first specific to that crop in any country. As of 1990, however, the agreement had not yet been implemented.

<sup>4</sup>In 1991, the Assistant Secretary of State for INM stated that the United States was no longer pressing for eradication, except where political conditions made such programs feasible.

<sup>5</sup>It should be noted, however, that if plants are not cut down at the root, they may be able to survive spraying.

pursuit" of smugglers, particularly air smugglers, who escape from the United States to Mexico. The Mexican government has been adamant that this represents an unacceptable, indeed unconstitutional, insult to sovereignty. The United States has therefore pushed for greater coordination between border control and interdiction agencies in the two countries, especially so that Mexico would accept the use of U.S. tactical intelligence to apprehend cocaine smugglers flying across the border and landing in Mexican territory.

To help support Mexican eradication and interdiction programs, the United States has maintained a large contingent of DEA agents in Mexico. For some years, 41 positions were authorized, although many were unfilled, in part because of security concerns (U.S. House of Representatives, 1989). The Mexican government regarded the DEA agents in a relatively hostile light and consistently denied them diplomatic credentials outside of Mexico City. In addition, they were not licensed to carry guns, though they often face significant dangers.

#### **U.S. LACK OF KNOWLEDGE**

For a variety of reasons, U.S. officials and analysts have not (at least as of 1990) been able to acquire adequate knowledge about the Mexican government's drug control efforts. Since our research was based largely on interviews with U.S. officials and access to U.S. government documents, this constraint has limited our own ability to describe either the Mexican drug industry or Mexico's control efforts. This constraint also makes it difficult to evaluate the likely future of U.S.-Mexican relations with respect to drugs.

The primary factor limiting U.S. knowledge was Mexican sensitivity about U.S. intervention and infringement of sovereignty. In Peru, DEA agents supervise eradication efforts; and in Colombia, the U.S. military group has been closely involved in upgrading the Colombian military anti-drug capabilities. In contrast, the Mexican government consistently limited the rights of U.S. agencies to supervise or observe the activities of local control agencies. A continuing bone of contention between U.S. and Mexican agencies was verification of eradication efforts. The 1989 House of Representatives report noted that "Mexico remains the only country in which it is considered advisable to verify eradication efforts."<sup>6</sup> The U.S. General Accounting Office, which was denied access to data on Mexican military drug control efforts, inferred that corruption might explain this penchant for secrecy. The Narcotics Assistance Unit of the Department of State supervised some aspects of the eradication program, but there was reported to be considerable distance at the programmatic level between U.S. officials and their Mexican counterparts. The shroud of

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<sup>6</sup>U.S. House of Representatives, 1989, p. 33.



secrecy naturally encouraged suspicion of corruption, whether or not such corruption existed. These allegations further complicated relations.

Given U.S. concerns about the integrity of the Mexican program, it has been deemed important to obtain independent estimates of the level of production. The dispersion of growing to states throughout the nation and the use of smaller plots have complicated estimation using aerial or satellite surveillance (the only possible methods), since the estimators depend on prior knowledge of the location of growing fields.

In 1987, the State Department reported to the Congress that it had "been working with the Mexican government for the last 2 years to devise an aerial survey that would give both governments a set of benchmarks of what kind of cultivation is under way in Mexico" (U.S. House of Representatives, 1987, p. 18). The State Department said that it had been able to obtain permission for a U.S. contractor to carry out overflights for survey purposes in 1986 and was now trying to equip Mexican planes to do the same task. One congressman finally asked, "Do we today have the capability to do an estimate of the total production in Mexico?" The State Department said that it could provide such estimates only for the main growing areas and that it would be another year before it could provide a complete opium estimate.

The peculiarities of official production estimates by U.S. agencies, described in the Appendix, suggest that the estimation problem remained unsolved as of 1990. The interesting implication for this study is how little attention was in fact paid to production as a measure of the efficacy of Mexican efforts.

#### **THE IMPULSES BEHIND U.S. ACTIONS: INTEGRITY AND EFFECTIVENESS**

U.S. political anger with Mexican drug control efforts has been episodic. What, then, is the key dynamic that governs U.S. policy concerns from a political standpoint? Is it the level of Mexican production and exports, and hence the effectiveness of Mexican efforts to cut them? Or is it the integrity of the Mexican anti-narcotics programs?

The United States seems to be driven to more aggressive stances not so much by the extent of drug flows from Mexico as by the perception that Mexican control efforts are corrupt. For example, Shannon cited 1984 testimony of the Assistant Secretary for INM to the effect that although opium and marijuana production were increasing, cooperation with the Mexican agencies was excellent.<sup>7</sup> The DEA, usually a more aggressive agency in bilateral affairs, also expressed general satisfaction with Mexican actions at that time.

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<sup>7</sup>Shannon, 1988, pp. 188-189.

While noting the same increase in production, the DEA attributed it to adaptations by the growers that lowered the effectiveness of the eradication program.

Effective production control programs were established in the mid-1970s, but relations deteriorated in the 1980s, partly because of the perceptible decline in the effectiveness of those control programs, but also because of the visible corruption surrounding the whole control effort. Traffickers seemed able to operate freely. The installation of the Salinas administration led to a marked improvement in relations on this issue. At a Mexican-U.S. summit in late 1989, the U.S. administration expressed few complaints about Mexican drug control efforts. Even in President Salinas' meetings with the U.S. Congress, which is generally more vocal on this issue than the administration, drug control was not a central concern.

The Camarena killing in 1985 led to a long period of antagonism, initially because of the killing itself, but subsequently because of the mounting evidence in the first year that high-level Mexican government officials were involved in protecting the miscreants. "The failure of the Mexican government to obtain prosecutions 4 years after the murder and the active obstruction of justice by Mexican officials during the investigation, remain major irritants" (U.S. House of Representatives, 1989, p. 33). Even in 1990, the Camarena case continued to cause problems: The Mexican government expressed outrage when a Mexican national indicted in the United States was apparently kidnapped in Mexico by bounty hunters seeking a reward from the DEA.

Indeed, it appeared as though the prosecution of the Camarena case became a law unto itself, with officials in both countries trying to keep it from jeopardizing the rest of U.S.-Mexican relations on narcotics and other issues. The U.S. government placed a special unit in Los Angeles in charge of continuing with the case, and the PGR likewise established a special unit.

#### **MEXICAN HANDLING OF U.S. PRESSURES**

The Salinas administration took a number of actions early on to indicate its awareness of the centrality of drug issues in its public relations with the United States, and to demonstrate that Mexico was accepting its share of the responsibility. The Ministry of Foreign Affairs added a section that dealt exclusively with drug problems and arms trafficking, the latter accounting for only a small share of its activities. This section was responsible for diplomatic dealings only and appeared to have no internal policy role.

The Mexican Embassy and consulates in the United States also responded to the heat of U.S. concerns. In 1990, three persons within the embassy had full-time responsibility for

drug issues; another three persons had similar responsibilities in consulates. Three of these officials were employees of the PGR rather than the Foreign Ministry.

One purpose of these public relations efforts was to reply responsibly to U.S. criticism. But more broadly, the aim may also have been to help foster a current of opinion in the United States that the drug problem owes as much if not more to U.S. demand than to Mexican supply.<sup>8</sup>

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<sup>8</sup>Suggested in Noe Torres, 1988, p. 36.

## 6. CONCLUSION: MAKING OTHER COUNTRIES HONEST

The Mexican drug problem, as it affects bilateral relations with the United States, is essentially an integrity issue. Within the United States, there is increasing awareness of the difficulty of suppressing drug production and trafficking in the long run.<sup>1</sup> The U.S. government has not required, as a condition for amicable relations, that the Mexican government succeed in substantially stemming the flow of drugs. What has been required is a good faith effort—an honest effort—to do so. Integrity may be seen as a surrogate for potential effectiveness, even when little attention has been given to effectiveness itself.

The March 1990 *INCSR* illustrated this ambiguity in U.S. attitudes toward Mexican drug control efforts. Under the heading "Some Encouraging Developments during 1989," the report said:

Mexico's new President Carlos Salinas elevated the narcotics threat to a national security issue and took aggressive actions against the cocaine trade. The Government of Mexico seized almost 34 metric tons of cocaine during 1989. The Mexican Attorney General's anti-drug budget was also raised to \$37 million, up from \$23.1 million the previous year.<sup>2</sup>

Yet the same *INCSR* also gave estimates showing that Mexican opium production, all destined for the U.S. heroin market, increased from between 45 and 55 tons to 85 tons. In addition it presented a dramatic upward revision of the estimate of Mexican marijuana production, though no statement was made about year-to-year trends, and there was no decline in the estimate of the level of cocaine shipments through Mexico.

Nor is the *INCSR* the only official source that praised Mexico. The conviction and long prison sentences received by major traffickers (e.g., Felix Gallardo and Raphael Caro Quintero), the shifting out of some senior police officials suspected of corruption, and the Salinas administration's aggressive actions against some prominent officials alleged to be involved in nondrug corruption led both the Congress and the administration to make statements praising the Mexican drug control effort in 1989 and 1990.

Integrity was identified in the 1990 *INCSR* as the element critically missing in drug control efforts in most producing countries, not only Mexico. Given the difficulty of

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<sup>1</sup>Witness the growth in U.S. production of marijuana and synthetic drugs. According to the most recent official estimate, the United States produces 25 percent, by weight, of the marijuana it consumes. Since it is believed that domestically produced marijuana is more potent than imported marijuana, U.S. production accounts for a higher share of total revenues than of weight.

<sup>2</sup>U.S. Department of State, 1990, pp. 7-8.

measuring year-to-year changes in production, which in any case may be affected by factors other than the stringency of drug control (e.g., declines in prices of other agricultural produce), integrity and level of effort may be the only criteria that the United States can reasonably use to assess the appropriateness of foreign programs.

It is worth considering, then, just what the United States can do to reduce corruption, which is the primary subverter of integrity. The limits of U.S. policy in achieving this are clear. Former DEA Director Francis Mullen said after the discovery of Camarena's body:

People talk of sending the FBI down, or sending in more DEA agents, but there's only one government in the world that can clean up Mexico, and that's the Mexican government and the Mexican judicial police, and they've got to do it. . . . Until the Mexicans themselves root out corruption, I don't think we'll ever stop the flow of drugs from Mexico.<sup>3</sup>

But how can the United States persuade the Mexican government that fighting corruption in the drug control area is important for Mexican interests and then help it achieve that goal?

## **CORRUPTION**

It was not so long ago that the cities and states of the United States were themselves riddled with corruption engendered by illegal markets, particularly those for bootlegged alcohol in the 1920s and gambling until about 1960.<sup>4</sup> Honesty in public service (particularly local law enforcement) is a relatively recent phenomenon, and one found more in wealthy societies than in those that are still developing. Even so, Mexican critics can point to numerous recent revelations of narcotics-related corruption and complicity among U.S. law enforcement agencies.

But this does not mitigate the fact that the corruption potential of the Mexican drug industry has been very large indeed. If our estimate of marijuana and heroin revenues is correct, a great deal of money, relative to total Mexican law enforcement expenditures, was available to purchase nonenforcement in the late 1980s. Moreover, the bulk of that money probably went to higher-level distributors who were in a position to distribute it effectively for protection.<sup>5</sup>

Corruption may be particularly difficult to control when it is so decentralized. A local military or police officer may be able to provide valuable services to traffickers, for example,

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<sup>3</sup>Interview in *Newsweek*, cited in Shannon, 1988, p. 229.

<sup>4</sup>See Sherman, 1974, for examples of systemic U.S. police corruption during most of this century.

<sup>5</sup>Two-thirds of total revenues go to distributors rather than growers. Such concentration of revenues contrasts with the situation in the United States, where most of the earnings go to distributors at the low end of the market, who bear most of the enforcement- and violence-related risks.

by clearing a section of a highway in a remote area for a brief period to allow a smuggler to land and unload a cocaine-laden plane. Creating mechanisms for rooting out corruption that is so widely dispersed requires more than the occasional punishment of senior officials; it may turn out to be a long, slow process of changing tolerant attitudes toward smuggling and building new institutional arrangements.

Mexican officials may seem unlikely to combat corruption in the absence of U.S. pressures, but sincere Mexican anti-corruption initiatives could in fact be thwarted by continued U.S. allegations directed at top officials. While Mexico seems to have a clear interest in rooting out officials coopted by drug traffickers, the natural instinct to defend sovereignty could lead unintentionally to more, not less, tolerance of corruption.

### **CERTIFICATION**

The "certification" process has been a primary tool of U.S. efforts to induce honesty and energy in Mexican (and other Latin American) drug control efforts. Congress requires that the president certify annually that each major drug-producing or transit country has cooperated fully with the United States.<sup>6</sup> If a country is not certified, half of its U.S. economic and military assistance must be withheld. Further, the United States must vote against new or extended loans to noncertified countries by multilateral agencies such as the World Bank. The criteria for certification are vague, containing terms such as "maximum achievable reductions," which, according to the 1990 *INCSR*, "introduce a concept of variability" (U.S. Department of State, 1990, p. 3). The president can waive these requirements if it is in the U.S. national interest to do so.

The certification process was widely criticized in the 1980s, both in the United States and abroad. Much of the criticism focused on the unwillingness of two successive administrations to deny certification to American allies,<sup>7</sup> while withholding it from nations with which the United States has poor relations, such as Laos and Iran. The use of certification proceedings as a forum for Congressional hearings in which allegations against foreign officials are aired has also roused ire abroad.

Given the failure of the United States to maintain effective control over its own domestic supply and demand, the Mexicans view the certification process as hypocritical. The U.S. Senate vote against certification of Mexico in 1988 roused a strong chorus of anger. Then-candidate Salinas said:

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<sup>6</sup>Section 2005 of P.L. 99-570, the Anti-Drug Abuse Act of 1986.

<sup>7</sup>Among the major cocaine producers, only Bolivia has been denied certification, despite enormous growth in cocaine exports from Bolivia, Colombia, and Peru over the past five years.

It is not acceptable that, in order to ingratiate themselves with their electorate, some American senators blame others for a problem that is generated within their own border. They see the mote in the eye of others but not the beam in their own eyes.<sup>8</sup>

Whether and how the certification process may influence Mexican government behavior remains a matter of speculation. Certainly the direct financial stakes for Mexico have been modest. The only aid at risk is precisely the support for drug control efforts, approximately \$15 million, though the denial of U.S. support for World Bank or IMF loans could be a serious concern.

### **NEITHER PRESSURE NOR HELP IS APPROPRIATE**

As the two countries head into the 1990s, it seems advisable for U.S. officials to avoid the extremes of presuming to either "help" or "pressure" Mexico. The emphasis should be on mutual cooperation and collaboration in the pursuit of shared interests. This is reflected in two admonitions issued in 1986 and 1987, when concern peaked among Mexicans about how Americans were thinking and behaving with regard to their country. On the subject of the United States presuming to "help" Mexico:

The U.S.A. says, "we are helping Mexico with loans." This is not helping. This is investing in Mexico, since Mexico pays the loans back, and with a lot of interest. . . . On the other hand, if Mexico contributes to putting a stop to the increasing drug abuse in the U.S.A. by eradicating production or interdicting drug trafficking, Mexico is said to be "cooperating" with the U.S.A. You will never read or hear: "Mexico is helping the U.S.A. by fighting drug traffickers and drug producers." Therefore, Mexico has practically erased the words "assistance," "help" and "aid" from its international language . . . and has substituted the word "cooperation," since any shared actions benefit both parties.<sup>9</sup>

And on the subject of U.S. attempts to pressure Mexico to change its policies or the nature of its political and economic systems:

It may be difficult for you to understand the fundamental characteristic of our history: The importance we give to our identity and independence. . . . It is not only surprising, but also irresponsible that some supersede the equilibrium of a nation of eighty million people, one of the most complex in the world because of its history, its cultural diversity and its needs, with a game of pressures and

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<sup>8</sup>"In Mexico, U.S. Accusations About Drugs Bring Outrage," *New York Times*, p. A10, April 29, 1988.

<sup>9</sup>Ffrench, 1987, pp. 2-3, when he was Minister for Press and Public Affairs of the Embassy of Mexico in Washington, D.C.

bets so as to gain minor advantages. . . . All grave historical errors have always occurred when one of the sides believes it is possible to break the status quo without a reaction from its counterpart. . . . What needs to be understood in the U.S. by its educated sectors, by its responsible leaders, by its opinion makers is that any attempt to interfere in Mexico's political life will boomerang. You have a lot to lose and nothing to win. There can be small victories, apparent results, but as a general strategy, it goes nowhere.<sup>10</sup>

Fortunately, on the eve of the 1990s, U.S. policy toward Mexico was avoiding these blunders. Mexicans, like other Latin Americans, are constantly on guard for signs of U.S. behavior that combine ignorance and arrogance. Yet, as a Mexican army general noted, it is not so much the potential "abuse of power" as the "abuse of friendship" that worries Mexicans who are well disposed toward the United States but feel it does not understand the complexities and sensitivities of their country.<sup>11</sup> The general expressed the hope that this would be kept in mind as the two countries and their relations move out of one era and into a new one.

#### **MEXICO AS AN END CASE FOR U.S. POLICY**

Much of the tension between the two countries has arisen from the fact that drug control has been a lower-stakes issue for the Mexican government than for the United States. Drug use has not been a significant problem in Mexican society, and traffickers have not generated the kind of internal competitive violence that has become commonplace in many U.S. cities, though there have been a few highly publicized incidents.

Mexico has nonetheless made a much greater effort than other exporters to restrain drug production and trafficking. Mexico has differed from other major drug producers such as Bolivia and Peru in three important aspects. First, the highest levels of the Mexican government were committed to reducing drug production. Though drug revenues may have corrupted some high-level officials, no broad national political interest was served by protecting the drug industry. We have come across no articulation of the position, found frequently in the Andean region, that compensation must be offered to peasant farmers who might suffer as the consequence of effective control programs. Second, the drug industry has played a relatively minor role in the Mexican economy. Though heroin and marijuana appear to have provided a substantial addition to export earnings, the industry has been much smaller relative to the whole economy than is the case in Bolivia or Peru. Finally, Mexico has been a far richer country than most of the other producers. Mexico's per capita

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<sup>10</sup>Camacho Solis, 1987, pp. 223-224, when he was Secretary of Urban Development and Ecology.

<sup>11</sup>Personal communication, 1988.



GNP (\$1,537 in 1987) was about three times that of Bolivia or Peru, and Mexico is in a totally different income league from the major Asian producers of opium, such as Burma and Afghanistan, where per capita incomes average less than \$300. Economic assistance for crop substitution has received little attention in discussions of Mexican drug policy.

Mexico may thus represent an "end case" for source-country control efforts. Given the size of Mexico's problem and the resources it has at its disposal, Mexico has performed well. The government is committed, the industry is not crucial to the economy, and the nation is, by the standards of drug producers, wealthy.

Yet sustained drug control efforts have failed to prevent Mexico from being a major foreign supplier, perhaps the dominant supplier, of illicit drugs to the United States. After the initial success of the aerial spraying program, authorities were unable to keep drug production at low levels. This suggests the limits of source-country control efforts generally.

Drugs are likely to continue to be a highly charged issue for U.S.-Mexican relations. A repetition of the Camarena killing, which gave the U.S. Congress and the press a legitimate reason to subject Mexican police and political corruption to microscopic examination, seems unlikely. After all, the traffickers involved did suffer severe losses as a result of that action. But the pattern of increasing corruption at all levels of government in the later years of Mexican administrations suggests remaining wary of a reoccurrence in the future.

If attention is to be focused not on integrity but on the effectiveness of programs, it will be necessary to develop measures of effectiveness that can be implemented. Perhaps more attention should be given to using price as a measure. The price at a particular point in the production and distribution system can provide a more targeted, albeit imperfect, measure of the effectiveness of particular kinds of enforcement (Reuter, Crawford, and Cave, 1988). For crop eradication, the farmgate price is appropriate; for source-country trafficker-oriented enforcement, the appropriate measure is the difference between the export price and the farmgate price.

Apart from its inherent merit, price is a more attractive measure of effectiveness than is quantity, because price data are more readily obtained. But we are well aware that price measures have so far had no political appeal. The argument for them is too indirect. It is likely, then, that the future of U.S.-Mexican relations concerning drugs will continue to be tied more to perceptions of the integrity of Mexican control efforts than to their effectiveness, until drug production and transshipment in Mexico are at much lower levels.

This study leads to a fairly positive, optimistic assessment of the intentions and capabilities of the administration of President Carlos Salinas de Gortari to deal with the drug problem on the eve of the 1990s. In the two years that have passed since the study was

initially drafted, joint cooperation between U.S. and Mexican anti-drug officials has improved substantially, achieved a number of successes on various measures, and surmounted several severe problems that were bound to arise as cooperation deepened.

## Appendix

### PRODUCTION ESTIMATES

This appendix analyzes the published estimates of total Mexican opium/heroin and marijuana production. It identifies major inconsistencies between the two principal official sources and implausible changes from year to year in the individual series. The primary purpose of this analysis is to demonstrate (1) the lack of U.S. government knowledge of the scale of production and (2) the lack of care given to the estimation process. These findings support our conclusion that the level of Mexican exports is a relatively minor factor in U.S. policy decisions.

The United States relies on estimates produced by two separate groups: the INM (within the Department of State) and the NNICC (an interagency group headed by the DEA). The INM has published its estimates in the annual *International Narcotics Control Strategy Report* since 1985, and the NNICC has published its estimates in *The Narcotics Intelligence Estimate* (NIE) since 1976.

These estimates have relied on often inconsistent and inadequately described methodologies, leading some analysts, including one at INM, to conclude that actual drug production is "unknowable" and that the agency's estimates are at best rather unscientific guesswork.<sup>1</sup> The preface to a recent NNICC annual report warns that "there are little reliable data upon which to base estimates of the quantities of drugs involved" (NNICC, 1988). The paucity of first-hand evidence of illicit activity precludes accurate production measures, yet the NNICC believes "the general trends portrayed can be considered to be reliable" (NNICC, 1984). This can scarcely be reconciled with the differences in trends reported in the two official series in the mid-1980s. Moreover, the 1989 and 1990 *INCSRs*, which radically revised assessments of Mexican marijuana production and which were criticized by DEA officials,<sup>2</sup> call into question the validity of any previous measures and the capabilities of U.S. agencies to do more than describe general intelligence impressions.

#### MARIJUANA

Mexico has been a significant producer of marijuana for export almost exclusively to the United States since the 1960s. Data on domestic Mexican consumption are very poor, and the Mexican government has long maintained that the country has no drug problem.

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<sup>1</sup>See Kleiman, 1989; also, personal communication from an INM official.

<sup>2</sup>"Mexico Marijuana Underestimated, U.S. Says," *New York Times*, p. A16, February 26, 1990.

Although the NNICC's 1980 report claimed "much of the marijuana produced in Mexico is consumed there," the available data sources do not support this claim.

Production trends for the past two decades can be described with little certainty, except for the downturn in the late 1970s and the upturn in the 1980s. It is difficult to work from estimates of U.S. consumption, since there is no marijuana program comparable to the heroin signature analysis, although such a program is currently being developed at the University of Mississippi.<sup>3</sup>

The earliest NNICC data placed Mexican marijuana production at 5,000 metric tons (37 percent of the U.S. market), reflecting some 4,000 hectares harvested.<sup>4</sup> This figure dropped to a low of 400 metric tons (3 percent of U.S. supply) by 1981, after the Mexican government launched a massive eradication campaign and the paraquat scare reduced U.S. demand. Though the temporary depression in supply can be explained by the surge in Colombian production and the concern with paraquat, many questions about the reliability of these estimates remain.<sup>5</sup> The NNICC reported the existence of smaller, more dispersed farms, with improved fertilization and irrigation techniques and better methods of camouflage and evasion. The ability of farmers to find well-hidden areas of cultivation, e.g., at high altitudes, outran the authorities' ability to acquire equipment to detect them by several years. Curiously, the NNICC's 1980 report warns of potential overestimates of Mexican production during this same period.

U.S. officials have long been suspicious of the aerial survey and eradication claims of the Mexican government. The U.S. General Accounting Office analyzed the pattern of aerial spraying and found that the decisions by regional military commanders to target particular areas were kept secret from U.S. officials, suggesting that corruption may play a significant role in the official eradication figures (U.S. General Accounting Office, 1988). The 1989 *INCSR* claims of total marijuana eradicated by Mexican authorities exceeded U.S. estimates of total cultivation, though the revised INM estimates issued the following year do make such eradication claims feasible.

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<sup>3</sup>DEA, personal communication.

<sup>4</sup>The authorities commonly use a rough yield factor of 1.3 metric tons from 1 hectare of marijuana cultivated. To the extent that this yield ratio is altered by improvements in growing techniques or by weather conditions, estimates of production by weight are suspect. NNICC authorities often rely on physical evidence of seized marijuana, which they then use to extrapolate total production. Clearly, this method rests on equally unstable assumptions.

<sup>5</sup>In 1981, when 400 metric tons were estimated to have been produced (on roughly 300 hectares), only 508 hectares were reported eradicated; by 1983, 1,300 metric tons were produced (on roughly 1,000 hectares), and 2,600 hectares were reported eradicated, implausibly suggesting that the gross area under cultivation more than quadrupled in two years, from 800 to 3,600 hectares.

INM officials explained the discrepancy in the mid-1980s as follows: "The Department of State considers its country estimates more reliable because the data were derived primarily from aerial surveys. There are, however, no survey data on marijuana cultivation in Mexico; the State Department relied on random reports from Mexico which were higher than the NNICC figure, which is an extrapolation of seizure data" (U.S. General Accounting Office, 1988, p. 53). This explanation scarcely clarifies matters.

The INM and NNICC estimates of marijuana production, presented in Tables A.1 and A.2, have thus been quite inconsistent. The INM estimates are invariably higher than those of the NNICC and show somewhat different year-to-year fluctuations. For example, the INM showed a slight decrease (about 5 percent) between 1987 and 1988 (from 5,933 to 5,655 metric tons), while the NNICC showed an increase of approximately one-third between the same two years (between 3,100 and 4,200 tons to 4,710 tons).<sup>6</sup>

U.S. estimates of Mexican marijuana production were dramatically increased in the 1990 *INCSR*, from a total of 5,700 tons in 1988 to 47,000 tons in 1989, as the result of changes in estimation techniques.<sup>7</sup> No details of those changes were provided in the published document. Since the new estimate has potentially important implications for understanding the economic significance of the marijuana industry to Mexico, we attempted to evaluate its plausibility. Our conclusion is that the new figure is far too high.

**Table A.1**  
**Mexican Marijuana Production: State Department (INM) Estimates**

| Year | Marijuana<br>(metric tons) | Cultivated<br>(hectares) | Eradicated<br>(hectares) | Net Harvest<br>(hectares) |
|------|----------------------------|--------------------------|--------------------------|---------------------------|
| 1985 | 4,540                      | 5,865                    | 1,740                    | 4,125                     |
| 1986 | 6,170                      | 8,430                    | 2,970                    | 5,460                     |
| 1987 | 5,933                      | 9,000                    | 3,750                    | 5,250                     |
| 1988 | 5,655                      | 9,000                    | 3,997                    | 5,003                     |
| 1989 | 47,590                     | 57,925                   | 15,810                   | 42,115                    |

<sup>6</sup> This actually understates the differences between the two series, since in the NNICC data for 1984 to 1988, at least, in-country seizures and consumption are subtracted from production totals.

<sup>7</sup> "New analytic methodologies have enabled the U.S. government to assess more accurately the extent of marijuana cultivation, and to revise upward the amount of marijuana believed under cultivation during the past several years" (*INCSR*, 1990, p.13). The published report included no revisions of the previous years' estimates.

**Table A.2**  
**Mexican Marijuana Production: NNICC Estimates**

| Year | Marijuana<br>Production<br>(metric tons) | U.S.<br>Supply<br>(percent) | Cultivated<br>(hectares) | Eradicated<br>(hectares) | Harvested<br>(hectares) |
|------|------------------------------------------|-----------------------------|--------------------------|--------------------------|-------------------------|
| 1977 | 3,960-6,040                              | 37.0                        | n/a                      | n/a                      | n/a                     |
| 1978 | 1,600-2,210                              | n/a                         | n/a                      | n/a                      |                         |
| 1979 | 1,110-1,500                              | 7                           | 1,657                    | 657                      | 1,000                   |
| 1980 | 800-1,300                                | 8                           | 1,500                    | 699                      | 800                     |
| 1981 | 300-500                                  | 3                           | 808                      | 508                      | 300                     |
| 1982 | 750                                      | 6                           | 1,430                    | 850                      | 580                     |
| 1983 | 1300                                     | 9                           | 3,600                    | 2,600                    | 1,000                   |
| 1984 | 2,500-3,000                              | 20                          | 5,739                    | 3,639                    | 2,100                   |
| 1985 | 3,000-4,000                              | 32                          | 4,438                    | 1,738                    | 2,700                   |
| 1986 | 3,000-4,000                              | 30                          | 5,270                    | 2,970                    | 2,800                   |
| 1987 | 3,100-4,200                              | 27.9                        | 6,500                    | 3,750                    | 2,800                   |
| 1988 | 4,710                                    | 25.6                        | 7,597                    | 3,997                    | 3,600                   |

For 1989, the INCSR estimated 15,810 hectares eradicated, compared to 3,997 eradicated in 1988; the latter figure was presumably obtained using the older estimating approach. It is difficult to explain why improvements in surveillance should have so drastically changed estimates of areas eradicated, which are, after all, subject to direct surveillance as part of the eradication effort itself.

Mexican marijuana consumption is generally believed to be very slight—the State Department estimates that no more than 100 tons are consumed domestically per year. Nor is there any evidence that Mexico exports to other consumer countries than the United States.<sup>8</sup> Except for shipments that are seized, the production is presumably all consumed in the United States. Since we assert that the new estimate is far too high, let us assume, for argument's sake, that domestic Mexican consumption, exports to other consuming countries, and seizures (Mexican and U.S.) total 12,000 tons—far higher than any prior estimate—leaving about 35,000 tons for the U.S. market.

Using data from the annual high school senior survey in the early 1980s, Reuter (1983) estimated that the average joint (marijuana cigarette) contained about 0.4 gram of marijuana. Since that time, the average potency of marijuana, including marijuana imported from Mexico, is believed to have increased substantially, probably reducing the amount of marijuana used in each joint. However, let us assume that there has been no such increase

<sup>8</sup>Mexico is not well placed to compete with North Africa for the European cannabis market, which in any case prefers hashish to marijuana.

and that Mexican marijuana is of lower potency than that from other sources, so that each joint contains 1 gram of marijuana.

With these assumptions, the new 1989 estimates would indicate a total of 35 billion joints of Mexican marijuana being consumed in the United States. A heavy user of marijuana might consume 1,000 joints per year, approximately 3 per day. Thus, 35 million heavy users would be required to consume the 35 billion joints. This is almost ten times current estimates of the number of heavy users (NIDA, 1989). Given the concentration of regular marijuana use in the 12 to 40 age range (NIDA, 1989), this would imply that almost 50 percent of this age group consumed marijuana on a daily basis. And this does not take into account consumption of marijuana produced in the United States, Jamaica, and Colombia.

Perhaps the earlier official estimates were somewhat too low, though others have thought them high relative to the U.S. market.<sup>9</sup> However, the estimate of 47,000 tons cannot represent marijuana production as it is normally conceived.

In the 1991 *INCSR*, a further revision in estimation methodology was announced. The estimate of area harvested was increased, reflecting a dramatic downward revision in the estimate of acreage eradicated. However, a new distinction was introduced between "usable plant yield" and "whole plant yield"; the former, more relevant to consumption estimates, was put at only half the latter. The new 1989 estimate of usable plant available for export after domestic consumption and Mexican seizures was 29,700 tons. The prior calculation suggests that this figure is still far too high.

## **OPIUM/HEROIN PRODUCTION**

The methodologies and assumptions used to estimate opium/heroin production from 1976 to 1989 have been inconsistent. Through 1984, production estimates were based on estimates of the number of heroin users in the United States and the percentage of heroin originating in Mexico, as determined by the DEA signature analysis program.<sup>10</sup> These estimates assumed that all the heroin produced in Mexico was exported to the United States. However, estimates of the number of heroin users in the United States are fraught with inaccuracies (Reuter, 1984), and estimates of the quantity consumed are even less reliable.

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<sup>9</sup>Kleiman (1989) estimates that total U.S. marijuana consumption in 1985 was less than 5,000 tons, and survey data for the late 1980s suggest that consumption may have declined since then.

<sup>10</sup>The signature program takes into account chemical differences associated with refining in different countries. A sample of seizures is tested each year to determine the sources of heroin coming into the United States.

Reflecting these uncertainties, in 1980, the NNICC estimated Mexican opium production at barely 10 metric tons; one year later, the 1980 estimate was revised upward by between 50 and 60 percent, with little or no explanation. The NNICC estimates are presented in Table A.3.

After 1980, the NNICC began to rely more heavily on intelligence gathered from law enforcement efforts, such as seizures and official eradication estimates of the Mexican government, as well as INM data, but the results were almost as inconsistent as the earlier figures. In fact, in 1985, the NNICC measured net opium production at 28.4 metric tons, while the INM, which bases its estimates primarily on aerial reconnaissance, tallied 52 metric tons. Between 1985 and 1986, the NNICC showed no change in heroin supplied to the United States from Mexico, while the INM showed a decline of almost one-fourth. The INM estimates are presented in Table A.4.

The NNICC reports also show surprising year-to-year changes. The NNICC's 1986 estimate of approximately 30 metric tons was said to be 41 percent of the U.S. supply; just two years later, production of about 50 metric tons was cited as only 30 percent of U.S. supply. This suggested, quite implausibly, that U.S. heroin consumption nearly doubled in two years.

**Table A.3**  
**Mexican Opium/Heroin Production: NNICC Estimates**

| Year | Opium<br>Production<br>(metric tons) | Heroin<br>Supplied to<br>U.S.<br>(metric tons) | Percent<br>of U.S.<br>Supply | Cultivated<br>(hectares) | Eradicated<br>(hectares) | Harvested<br>(hectares) |
|------|--------------------------------------|------------------------------------------------|------------------------------|--------------------------|--------------------------|-------------------------|
| 1976 | 40                                   | 4.0                                            | 67                           | n/a                      | n/a                      | 4,000                   |
| 1977 | 30                                   | 3.0                                            | 56                           | n/a                      | n/a                      | 3,000                   |
| 1978 | 20                                   | 2.0                                            | 44                           | n/a                      | n/a                      | 2,000                   |
| 1979 | 10-12                                | 1.0-1.2                                        | 30                           | 1925                     | 725                      | 1,000-1,200             |
| 1980 | 16                                   | 1.5                                            | 37                           | 2,450                    | 1,450                    | 1,600                   |
| 1981 | 16                                   | 1.4                                            | 35                           | 3,400                    | 1,800                    | 1,600                   |
| 1982 | 17                                   | 1.7                                            | 34                           | 2,885                    | 1,185                    | 1,700                   |
| 1983 | 17                                   | 1.7                                            | 33                           | 3,700                    | 2,000                    | 1,700                   |
| 1984 | 21                                   | 2.0                                            | 32                           | 5,200                    | 3,100                    | 2,100                   |
| 1985 | 28.4                                 | 2.8                                            | 39                           | 6,030                    | 3,190                    | 2,840                   |
| 1986 | 20-40                                | 2.8                                            | 41                           | 4,000-7,450              | 2,380                    | 2,200-5,070             |
| 1987 | 45-55                                | 4.5-5.5                                        |                              | 7,300                    | 2,200                    | 5,100                   |
| 1988 | 45-55                                | 4.5-5.5                                        | 30                           | 7,700                    | 2,700                    | 5,000                   |
| 1989 | 85                                   | 8.5                                            | 33                           | 9,600                    | 1,130                    | 8,470                   |



**Table A.4**  
**Mexican Opium/Heroin Production: State Department (INM) Estimates**

| Year | Opium<br>(metric tons) | Heroin<br>(metric tons) | Cultivated<br>(hectares) | Eradicated<br>(hectares) | Harvested<br>(hectares) |
|------|------------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| 1985 | 52                     | 5.2                     | 7,500                    | 2,300                    | 5,200                   |
| 1986 | 40                     | 4.0                     | 6,000                    | 2,135                    | 3,865                   |
| 1987 | 50                     | 5.0                     | 7,360                    | 2,200                    | 5,160                   |
| 1988 | 45-55                  | 4.5-5.5                 | 7,738                    | 2,737                    | 5,001                   |
| 1989 | 85                     | 8.5                     | 9,600                    | 1,130                    | 8,470                   |

Since 1987, the two series have shown only slight discrepancies. Whether this represents increased coordination or improved estimation is difficult to determine. However, the 1989 figure of 85 metric tons, an astounding 60 percent increase from a near-historic high in 1988, casts further doubt on the accuracy of these official estimates. Guatemala, all of whose opium is destined for the United States, was estimated to be producing 14 tons, suggesting that almost 10 tons of heroin was entering the United States from Central America. Yet 10 tons exceeds prior estimates of total U.S. consumption, most of which is supplied from Asian sources whose opium production levels have been increasing in recent years.

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