

SMUGGLER NATION

HOW ILLICIT
TRADE MADE
AMERICA

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America's Century-Long Drug War

THE USE OF MIND-ALTERING drugs—whether for ceremonial, medicinal, or recreational purposes—has existed throughout human history.¹ What have varied over time are the particular substances, the location and methods of production and distribution, consumer tastes, societal tolerance, and laws and their enforcement.² The previous chapter focused on America's short-lived, failed experiment in prohibiting an especially popular drug—alcohol—and the smuggling boom it unleashed. We now turn our attention to the other drugs that were prohibited in the early decades of the twentieth century—opium and its derivatives (morphine and heroin), cocaine and other coca products, and cannabis (marijuana)—but that remain criminalized a century later and are the main targets of a U.S.-led global “war on drugs.”³

Drug prohibition sharply accelerated and expanded the broader trend of using federal powers to police vice trades. New and more punitive laws were passed, new and more expansive bureaucracies were created to enforce them, new and bigger prisons were built to house violators, and arm-twisting drug diplomacy became a new and increasingly prominent component of U.S. foreign relations. Yet despite this sustained drug war buildup, the illicit drug business not only survived but turned into one of the most profitable sectors of global trade, with the United States as the world's leading consumer. Through the

century-long enforcement-evasion game between "narcs" and "narcos," illicit drugs became the smuggled commodity most closely associated with crime, corruption, violence, and the underside of America's transformation into a consumer society.

Prohibiting Drugs

To many Americans, certain ideas about drugs such as cocaine and heroin seem commonsensical: use of these drugs is simply wrong and dangerous, distributing and ingesting them is criminal, seeking to eliminate their supply is sensible, and relying primarily on suppression is the most effective way to stop trafficking and dealing. But this set of ideas has not always held sway. Indeed, many nineteenth-century American merchants viewed opium no differently from any other commodity. For instance, Warren Delano II, the grandfather of Franklin Delano Roosevelt and the creator of the family fortune, profited from shipping opium to China, calling it a "fair, honorable and legitimate trade, and to say the worst of it, liable to no further or weightier objections than is the importation of wines, Brandies & spirits into the U. States, England, &c."⁴ But he failed to also mention that the Chinese authorities considered him an outlaw and a smuggler; the opium trade had been banned by imperial edict since 1729.

In 1900 opium, morphine, heroin, cocaine, and marijuana were all legal and readily available in the United States. They were prescribed by doctors to relieve pain and sleeplessness, and they could even be purchased in grocery and general stores as well as by mail order. They were found in numerous unregulated patent medicines, claiming to cure everything from stomachaches to toothaches. Cocaine, synthesized from the coca plant, was a favorite ingredient in Coca-Cola, medicine, and wines. Historian David Musto reminds us that the Parkes Davis Company "sold coca-leaf cigarettes and coca cheroots [cigars] to accompany their other products, which provided cocaine in a variety of media such as a liqueur-like alcohol mixture called Coca Cordial, tablets, hypodermic injections, ointments, and sprays."⁵ The 1897 Sears, Roebuck catalog offered hypodermic kits—a syringe, two needles, two vials of morphine, and a carrying case—for \$1.50.⁶ In 1898 Bayer and Company promoted its own synthesized version of morphine as a

BAYER
PHARMACEUTICAL
PRODUCTS

ASPIRIN
The substitute for the salicylates

HEROIN
The sedative for coughs

LYCETOIL
The most acid solvent

EUROPHEN
The anti-rheumatic and antineuralgic

PROFARCOL
The substitute for the salicylates

QUINAGEM
The substitute for the salicylates

STYCOSE
The substitute for the salicylates

SALOPHEN
The anti-rheumatic and antineuralgic

PARBENFABRIKEN OF ELBERFELD CO.

40 STONE STREET, NEW YORK.

Send for samples and literature to

Figure 14.1 At the turn of the century, Bayer Pharmaceuticals promoted heroin as a cough suppressant (Granger Collection).

COCAINE
TOOTHACHE DROPS
 Instantaneous Cure!
 PRICE 15 CENTS.
 Prepared by the
LLOYD MANUFACTURING CO.

218 HUDSON AVE., ALBANY, N. Y.
 For sale by all Druggists.
 (Manufactured March 1900.)

COCAINE
TOOTHACHE DROPS
 Instantaneous Cure!
 PRICE 15 CENTS.
 Prepared by the
LLOYD MANUFACTURING CO.

Figure 14.2 An 1885 medicine ad for "cocaine toothache drops" was clearly meant for children as well as adults (Granger Collection).

wonder drug, under the brand name "heroin" (from the German word *heroisch*, meaning heroic and powerful).⁷

The common use of such drugs led to problems of abuse. There were no hard data, of course, but informed estimates placed the number of American morphine addicts at 2 to 4 percent of the population in 1895.⁸ A small percentage of drug users—especially those who were black (in the South) or Chinese (in the West)—were considered social pariahs and were feared. But most users in the latter half of the century were middle- or upper-class, with women outnumbering men. They were not stigmatized and certainly not treated as criminals. The idea that this was a matter for the federal government to deal with was nowhere in evidence.

All this changed within a few decades. By the 1930s, drug use was publicly condemned. Support was widespread for strict controls, and for punishing those who sold and used heroin and cocaine. Drugs and crime were tightly linked in the public mind; drug users and dealers were seen as threats to society. Stopping drug use and stemming the supply of drugs were unquestioned goals of government policy.

What happened? By the early 1900s concern about drug use was rising, though it did not generate the same sort of organized fervor as alcohol consumption.⁹ There was nothing like the Anti-Saloon League leading the antidrug charge. However, groups in the medical community, reformers in the Progressive movement, moralistic anti-vice crusaders, muckraking journalists, and racist and nativist groups who feared that America would be mongrelized and contaminated by drug-consuming "inferior peoples" were all intent on establishing some kind of regimen for drug control. Their various struggles merged in the early decades of the twentieth century to forge a new public consensus on drug use.

Physicians began to pay attention to problems of addiction in the aftermath of the Civil War, when wounded soldiers who were given morphine for pain became addicted in large numbers. Of particular concern were the problems that resulted from the casual prescription of drugs to relieve aches and pains and from consumers' unwary exposure to these substances in popular patent medicines with unlabeled contents. The emerging medical professions, anxious to protect their members' interests, argued that medical officials should regulate

the supply of drugs and decide what treatments were appropriate. In 1903 the American Pharmaceutical Association said that cocaine and opium derivatives should be given only under prescription and that laws should regulate—but not prohibit—drug use. Pragmatic reformers in the Progressive movement joined the doctors and pharmacists. Seeking to protect the public interest against greedy corporations and corrupt politicians, they echoed the medical community's call for close regulation of patent medicines. Their efforts paid off in the enactment of the Pure Food and Drug Act of 1906, which required that all narcotic ingredients, as well as cannabis, be listed on the labels of any patent medicines shipped in interstate commerce. The legislation dramatically reduced the patent-medicine market.

Health and professional interests were not the only concerns that motivated drug reform. An explicitly antidrug crusade also emerged as part of a broader movement against vice, including drinking and prostitution, at the turn of the century. It was rooted in a puritanical strain in American culture that demanded that public control be exercised to foster moral and upright behavior. The antivice crusade was intensified by concerns that rapid urbanization in the early twentieth century was corrupting the family and undermining traditional values.

The antidrug crusade was also linked to deep-seated racist and nativist fears. The campaign against vice and urban immorality at the turn of the century was fueled in part by widespread anxieties that the wave of immigration from eastern and southern Europe threatened America's moral (and economic) well-being. In its less genteel form, anxiety about drug use by immigrants combined with violent prejudice against blacks, Chinese, and Mexicans to spur the enactment of local antidrug laws aimed specifically at these minorities.¹⁰

In the South, for example, cocaine was linked to deep-rooted prejudice against blacks. Its euphoric and stimulating qualities were feared for their presumed ability to make Negro cocaine users "oblivious of their prescribed bounds" and to lead them to "attack white society."¹¹ There were even accusations that cocaine use "gave blacks superhuman strength, improved their marksmanship, and made them difficult to kill."¹²

There was a parallel campaign against Chinese immigrants in the West. In 1875 San Francisco forbade opium smoking, a practice closely

identified with Chinese Americans. Between 1877 and 1900 anti-opium legislation was enacted in eleven western states. A 1902 American Federation of Labor (AFL) pamphlet foreshadowed what decades later would become a widely accepted "contagion" theory. Chinese smokers would become a widely accepted "contagion" theory. Chinese smokers had spread the "deathly habit" to "hundreds, aye thousands, of our American boys and girls," the AFL declared.¹³

Despite the widespread antidrug rhetoric and local bans, opium smoking and the use of other drugs did not disappear. Users either went underground or were tolerated in limited locations. Antinarcotics went underground or were tolerated in limited locations. Antinarcotics groups reacted by pressing Congress to restrict supply at the national level. In 1883 the tariff on opium was raised; four years later restrictions were imposed on the importation of some forms of opium, and Chinese immigrants were prohibited from any importation of the drug. In 1890 the manufacture of smoking opium was limited to American citizens. Not surprisingly, these efforts also failed to stop the trade; instead they stimulated smuggling.¹⁴

The push for drug control was propelled by other developments abroad. American missionaries in China were appalled at what they saw as the moral and social degeneration resulting from the British opium trade. They circulated horror stories of opium's impact back home and began to urge the government to take a leadership role in an international effort to curb the drug trade.¹⁵ The full impact of missionary diplomacy became evident after 1898, when the United States gained control of the Philippines. The United States was suddenly faced with the question of what to do about narcotics addiction in the territory. Under Spanish rule, addicts had been licensed and opium was legal. The War Department turned to the Right Reverend Charles H. Brent, the Episcopal bishop in the Philippines. Bishop Brent convinced President Theodore Roosevelt to call an international conference on regulating the opium trade in 1906.¹⁶ The State Department backed the request, recognizing that it served other foreign policy interests as well. In particular, it allowed the United States to increase its influence in the Pacific, notably against its major competitor, Britain, and to strengthen its relations with the Chinese government, which was strongly opposed to the British trade.¹⁷ Perhaps more important than their impact abroad, the resulting meetings (in Shanghai and The Hague) became vehicles for organizing a campaign for stricter drug control in the United States.

In 1909 Secretary of State Elihu Root convinced Congress to ban the importation of all forms of smoking opium in order to secure "legislation on this subject in time to save our face in the conference at Shanghai."¹⁸ Other prohibitionists wanted much more. Spearheading the campaign was Dr. Hamilton Wright, who had joined Brent in representing the United States at the international conferences. Wright resented the United States at the international conferences. Wright and others argued that Washington should not only support an international agreement to ban the production, export, and use of cocaine and opium abroad but also pass federal legislation to ban all imports of these drugs. They were quick to join their campaign to the rising domestic tide of racist fears about narcotics and their effects. Dr. Wright pushed tirelessly for restrictive legislation and skillfully recruited the secretary of state and the secretary of the treasury in the effort.¹⁹ Avid in his support of prohibitionist and missionary pursuits, Secretary of State William Jennings Bryan pressed for the passage of legislation to meet the requirements of the international agreements the State Department supported.²⁰

New York Representative Francis Burton Harrison eventually agreed to sponsor legislation. In the wake of reports that opium use had nearly tripled between 1870 and 1909,²¹ he expressed a now-familiar logic for control of the drug supply: "This enormous increase in the importation of and consumption of opium in the United States is startling and is directly due to the facility with which opium may be imported, manufactured into its various derivatives and preparations, and placed within the reach of the individual. There has been in this country an almost shameless traffic in these drugs. Criminal classes have been created, and the use of the drugs with much accompanying moral and economic degradation is widespread among the upper classes of society. We are an opium-consuming nation today."²²

There was no mass movement, as in alcohol prohibition, to support Harrison's bill; but neither was there broad opposition. Public opinion had gradually swung to accept the view that drug use was a problem and that it was legitimate to control drugs. And, unlike alcohol users before and during Prohibition, cocaine and heroin users mounted no organized opposition to control.

The Harrison Narcotics Act, passed in December 1914, grounded federal drug control in the constitutional power to tax—which meant

that enforcement powers fell to the Treasury Department. This first federal drug-control law would prove momentous. But what exactly did the new law mean? Legally, it set three major requirements for those who produced or distributed drugs: they had to register with the federal government, keep a record of all their transactions, and pay a purchase or sales tax. The Harrison Act also required that unregistered persons—drug users—could purchase drugs only with a prescription from a physician who “prescribed [it] in good faith” and did so “in pursuit of his professional practice only.”

On its face, the Harrison Act seemed to be based more on a medical rather than law-enforcement model of drug control. The major regulatory mechanisms were designed to keep drugs under the control of the medical community. The law did not criminalize drug users or brand them as morally wrong. Using drugs was not made a crime: users were simply required to turn to doctors for prescriptions to buy drugs. The antivice crusaders, despite their rhetoric and pressure campaigns, appeared to have lost the fight: the law did not reflect their prohibitionist desires, nor did legislators believe they were passing a prohibition law.²³

But the battle to define the terms of national drug policy had only begun. In the end, the prohibitionists would transform a largely medical model for controlling drug use into a law enforcement model for outlawing drug use. Powerful government agents joined them in their quest. They were aided by an increasingly fearful and vengeful social context shaped by such events as the struggle over alcohol prohibition, World War I, and widespread fear of immigrants and foreign influences.

The Treasury Department was charged with administering the Harrison Act, and its agents took the lead role in transforming it into a prohibitionist law. The department (first its Bureau of Revenue and then, after 1920, the Narcotics Division of its Prohibition Unit) began to issue regulations interpreting the law as forbidding the maintenance of addicts on drugs. The department also began to arrest physicians and druggists, in order to stop them from providing prescriptions to help maintain addicts, and to arrest addicts for illegal possession.²⁴ The courts rejected this prohibitionist maneuver. But Treasury persisted and was eventually able to take advantage of a changing social context increasingly shaped by the antivice movement.

In the years immediately following the Harrison Act, antivice crusaders, often supported by urban dailies and popular national magazines, sought more stringent prohibition and punishment of physicians and addicts and continued to warn of “the drug evil.” Mass organizations pushing for alcohol prohibition had created a moral atmosphere that condemned such vices. The Treasury Department also helped turn public opinion against doctors and their addicted patients. Antivice crusaders and many journalists projected an image of “dope doctors” responsible for the nation’s drug problems.

The growing antidrug sentiment rode the tide of other national fears. World War I and the 1919–20 Red Scare fanned the fears of foreign threats. Press stories circulated about drugs being smuggled into U.S. Army training centers by Germans and about Germans “exporting drugs in toothpaste and patent medicines in order to hook innocent citizens of other countries on drugs.”²⁵ Alcohol Prohibition further boosted the antivice crusade, and in the early 1920s a number of antinarcotics groups formed. Richmond P. Hobson, a star orator of the Prohibition movement, was responsible for the creation of some of the more vocal organizations. Hobson not only grossly exaggerated the numbers (“one million heroin addicts”) but also argued that heroin caused crime and that addicts were “beasts” and “monsters” who spread their disease like medieval vampires.²⁶ “Drug addiction is more communicable and less curable than leprosy,” he warned, asserting that, “drug addicts are the principal carriers of vice diseases.” Hobson exclaimed that “upon this ~~issue hangs the perpetuation~~ of civilization, the destiny of the world, and the future of the human race.”²⁷ Meanwhile, very few voices rose in opposition to the prohibitionist tide, and those that did were weak and marginalized.

The courts also caved in. From 1915 to 1919 narcotics agents faced limits in their campaigns to intimidate doctors because the courts refused to accept the Treasury Department’s prohibitionist interpretation of the Harrison Act, and Congress was unwilling to amend the law.²⁸ But in 1919, in *Webb v. United States*, the Supreme Court concluded that it was illegitimate for a doctor to maintain addicts on morphine with no intention of curing them. Treasury pounced on the decision, quickly putting its personnel on notice that the Supreme Court now supported the prosecution of physicians who were distributing drugs “to a person

popularly known as a 'dope fiend,' for the purpose of gratifying his appetite for the drug." Such acts, the Treasury memorandum said, put physicians in violation of the Harrison Act.²⁹ In 1922 the Court again delivered a verdict supporting Treasury's position. In *United States v. Behrman*, the Court established that a narcotics prescription for an addict was illegal unless the addict had some other ailment requiring treatment with narcotics.

These court rulings transformed the Harrison Act into a prohibition law that conformed to the Treasury Department's interpretation. The social and political tide toward the prohibition of drugs had turned so decisively by the mid-1920s that even a reversal of position on the *Behrman* case by the Supreme Court in 1925 had little effect on policy or practice. As legal sources of drugs dried up, dope peddlers and smugglers were defined as the key problem and became the targets of government policy. The dominant interpretation of addiction, meanwhile, pointed toward harsh, punitive measures. Furthermore, a consensus arose that any nonmedical narcotics use—even nonaddictive use—was a vice and that users should be punished. Laws began to sanction not just suppliers but also users themselves. By the late 1920s, one-third of inmates in federal prisons were serving sentences for violating the Harrison Act.³⁰

Driving the Drug Trade Underground

As physicians and pharmacists backed away from prescribing cocaine and opiates and as clinics closed their doors by the 1920s, those drug users who were unable to break their habits had little choice but to enter the underworld—supporting the black-market smugglers and dope peddlers who had replaced doctors and pharmacists, and sometimes stealing to meet the high prices created by prohibition.

In this growing illicit drug market, New York City emerged as the central import, distribution, and user hub. The city not only possessed the country's largest port and was well connected by transportation links to major markets across the continent but also had the largest concentration of heroin users.³¹ In the second decade of the twentieth century New York was also the center of a loosely organized and decentralized underground cocaine trade. Through New York, criminologists

Alan Block and William Chambliss tell us, "Cocaine was imported, wholesaled, franchised, and retailed. . . . It was traded in movies, theaters, restaurants, cafes, cabarets, pool parlors, saloons, parks, and on innumerable street corners. It was an important part of the coin of an underground that was deeply embedded in the urban culture of New York."³²

Initially, supplies of cocaine, morphine, and heroin could still be found through diversion and theft from American pharmaceutical companies, many of them located in the New York-Philadelphia corridor.³³ Like their foreign counterparts, these companies produced far more than the legitimate medical market could possibly absorb. A favorite diversion and smuggling scheme early on was to set up front companies in Mexico and Canada to import heroin and other drugs from the United States and then smuggle them back into the country.³⁴ As Treasury told a congressional committee in 1920, "drugs are exported from this country for the purposes of reentry through illicit channels."³⁵

Congress targeted these trade tricks by passing the Narcotics Drugs Import and Export Act of 1922, otherwise known as the Jones-Miller Act. The new law empowered the federal government to closely track legal narcotics shipments and crack down on diversion. Treasury Secretary Andrew Mellon warned that the law would be difficult to enforce, require many more customs agents, and further fuel smuggling. Customs, he stressed, was already overwhelmed, its reports documenting "conclusively that smuggling of narcotics into the United States is on the increase to such an extent that customs officers seem unable to suppress traffic to any appreciable extent."³⁶ To eliminate the possibility of diversion from legal channels, in 1924 Congress banned all domestic production and medical use of heroin.

With domestically produced drug supplies drying up by the mid-1920s, dealers increasingly turned to foreign sources. Bulk quantities of heroin, morphine, and cocaine could still be secured through German, Dutch, and French firms. Taking advantage of this new international business opportunity, Arnold Rothstein became America's most famous drug trade entrepreneur of the 1920s. Already a well-established and successful New York bootlegger, racketeer, financier, and gambler who gained fame and notoriety for allegedly fixing the 1919 World

Series, Rothstein used his underworld business connections to branch out into the profitable new world of international drug trafficking. Rothstein set up and oversaw a transatlantic operation illicitly importing drugs—mostly heroin but also morphine and cocaine—legally manufactured in Europe. France was an especially important source, with French pharmaceutical firms processing far more opium than any other country in the world and far beyond legitimate medicinal needs. Excess production slipped into the black market.³⁷

As European countries began to impose stricter controls on their pharmaceutical companies (as agreed to in international treaties signed in 1925 and 1931 to more closely monitor and restrict legal production), underground factories sprung up in France, the Balkans, and Turkey. Drugs were also increasingly imported from East Asia, especially Shanghai, where a freewheeling regulatory environment and chaotic political situation provided favorable conditions for heroin processing and export in the 1930s.³⁸

These prohibition-induced shifts in the illicit drug trade favored heroin over morphine and opium smoking. Heroin was much more potent than morphine, and its higher value per weight made it ideal for smuggling. Moreover, heroin could more easily be diluted for higher profits at the retail distribution level. And unlike morphine, heroin users could snort the stuff (as long as it was not overly diluted) if they had an aversion to the needle.

Meanwhile, opium smoking, which was less dangerous than heroin, virtually disappeared: opium was a bulky product with a pungent smell, making it less profitable to smuggle per weight and more detectable by law enforcement.³⁹ A similar shift happened with coca products, with high-potency cocaine pushing out the much more benign coca tonics.⁴⁰ This essentially repeated the market dynamic we saw with alcohol prohibition, with hard liquor replacing beer as the favored drink in the 1920s.

Another parallel to alcohol prohibition was the spread of drug-related corruption. The high profits of the trade not only enriched smugglers but also made bribes and payoffs to law enforcement an affordable business expense. Investigations following the fatal shooting of Arnold Rothstein in 1928 revealed not only the magnitude of his illicit drug import business but also the extent of drug corruption. A New York grand jury found that federal drug enforcement in the city—home to

the largest number of agents in the country—was plagued by gross incompetence, negligence, and corruption. Most embarrassing was the revelation that both the son and son-in-law of the deputy commissioner of prohibition, Levi Nutt, were actually employed by Rothstein.⁴¹

America's First Drug Czar

The New York corruption investigation following Rothstein's death contributed to the shakeup of the federal narcotics bureaucracy and its separation from the much-maligned Prohibition Bureau. Efforts in Congress to establish an independent drug-control agency paid off in July 1930, with the creation of the Federal Bureau of Narcotics (FBN) in the Treasury Department. With Nutt's career derailed by scandal, President Hoover turned to Harry Anslinger, a high official in the Prohibition Bureau with considerable international experience targeting alcohol smuggling, and appointed him as the FBN's first commissioner.⁴²



Figure 14.3 Federal Bureau of Narcotics Commissioner Harry J. Anslinger, America's first "drug czar," examines seized drugs in the 1950s (DEA Museum).

Anslinger became the J. Edgar Hoover of drugs, America's first "drug czar." During his more than three decades on the job, Anslinger never wavered from his commitment to a tough law-and-order approach to drugs. Anslinger told judges to "jail offenders, and then throw away the key."⁴³ In his view, the main lesson to be learned from the failures of Prohibition was that it had not been tough enough. He believed that the key challenge was curtailing the drug supply, especially from abroad. As the top U.S. diplomat on drug issues, Anslinger played a lead role in international meetings and conferences concerned with narcotics, continuously lobbying for the increasingly restrictive measures that came to define the emerging global drug prohibition regime. He also spearheaded international efforts to coordinate drug-related intelligence gathering and sharing.

Because of their compact size and low weight relative to value, smuggled drugs were much harder to detect than smuggled alcohol. This made random searches of people, luggage, and cargo even more inefficient than during the Prohibition years. Anslinger therefore increasingly turned to informants and undercover operations to develop cases and make busts. He consequently "plunged the bureau into the murky business of employing smugglers to catch smugglers," note historians Kathryn Meyer and Terry Parsinen, with the downside that "using informants brought the agents into the same dark shadowlands as the traffickers they sought to control. At times their identities blurred."⁴⁴

Yet for decades Anslinger turned a blind eye to the spreading rot of corruption within his own agency—which would eventually contribute to its dismantling and reorganization. An investigation initiated decades later found that nearly sixty out of the three hundred FBN agents were corrupt, which included collaborating with traffickers and selling heroin. Ramsey Clark, the U.S. attorney general at the time of the corruption investigation, concluded: "The least you can make of it is that Anslinger was derelict in being so unaware of what was happening in his own agency. Apparently he had decided as a matter of self preservation not to address it."⁴⁵

Meanwhile, to generate the needed support to protect and expand his agency and its mission, Anslinger undertook a sweeping and aggressive campaign in the 1930s and 1940s to mold public antidrug attitudes.

He regularly testified before Congress and became a prolific writer, spreading his antidrug message through all types of media outlets. He persistently blamed particular minority groups, foreigners, and foreign ideological influences for America's drug problem.⁴⁶ He aggressively cultivated a rising chorus of demands from sources from within and outside of government that argued for punitive sanctions against the sale and use of opiates and cocaine. Out of this increasingly moralistic and drug-intolerant social context emerged the criminalization of another drug: marijuana.

Killer Weed

Early drafters of the Harrison Act tried to outlaw marijuana but found little organized support for their efforts—and much opposition from the pharmaceutical industry.⁴⁷ By the mid-1920s, however, fear of marijuana was growing in the South and West, spurred by rapidly increasing Mexican migration. Although employers welcomed Mexicans as a source of cheap labor, the new immigrants—like the Chinese and others before them—triggered fears of crime and social corruption.

Racist and nativist suspicions about Mexican immigrants came to focus on marijuana use. Before long, local residents had attributed crime-producing powers to the drug. As the Great Depression made the Mexicans an unwelcome surplus labor force in the 1930s, the identification of Mexicans with both crime and marijuana deepened. Pressure on Washington to "do something" mounted from several quarters, including local police forces, citizens' groups, state governors, and the Hearst newspaper chain (whose stories and cartoons detailed the ways the drug enslaved its users).

With his agents already plenty busy, Anslinger was at first reluctant to add marijuana to his list of targets. But by 1936 he had joined the push for federal legislation prohibiting it. He and his agency helped forge a more punitive public consensus against marijuana, and they assisted in crafting and securing passage of legislation and lent vocal support in the debate in Congress. In December 1936, Anslinger told Congress that marijuana was "about as hellish as heroin."⁴⁸ Everyone seemed to have forgotten that just a year earlier he had claimed marijuana wasn't even addictive.

The Marijuana Tax Act passed in the summer of 1937 and took effect in October of that year. By that time forty-six states had placed anti-marijuana laws on the books. The Marijuana Tax Act was modeled on some features of the 1914 Harrison Act. Only the nonmedical, untaxed possession or sale of marijuana was outlawed. "Illegitimate transfers" were taxed at \$100 a pound—a steep tax considering that marijuana purchased legally cost \$2 a pound. Violations brought a fine of \$2,000, five years in prison, or both.⁴⁹ The antimarijuana campaign had succeeded in adding the substance to the public's list of serious law-enforcement threats: by the time marijuana was outlawed, "common sense" linked its use to deadly crimes. A person under the influence of marijuana could, as Anslinger put it, be provoked by "the slightest opposition, arousing him to a state of menacing fury or homicidal attack. During this frenzied period, addicts have perpetrated some of the most bizarre and fantastic offenses and sex crimes known to police annals."⁵⁰ Little



Figure 14.4 Advertisement for the 1936 American film *Reefer Madness*. Decades later it was used by the National Organization for the Reform of Marijuana Laws to illustrate the excesses of the antimarijuana campaign (Granger Collection).

opposition surfaced to Anslinger's efforts to define marijuana as a crime-causing "killer weed" and to ban its use; and in the fearful and moralistic mood of the day, few spoke out against the general trend toward a punitive policy of drug prohibition. The government discouraged opposition by blocking critical testimony, disparaging those who publicly questioned policy assumptions, studiously ignoring contrary evidence, and straining to defend the many questionable claims about drugs propounded by prohibitionists and the media.

If few questioned the criminalization of marijuana, almost no one challenged the basic assumptions of Anslinger's overall drug-suppression strategy. The only outspoken opposition in Congress in the 1930s and 1940s came from Washington representative John M. Coffee. Coffee pointedly condemned the Harrison Act and the federal government for creating a vast smuggling industry: "If we, the representatives of the people, are to continue to let our narcotics authorities conduct themselves in a manner tantamount to upholding and in effect supporting the billion-dollar drug racket, we should at least be able to explain to our constituents why we do so." He argued for going back to the original intent of the Harrison Act, bringing addicts under medical supervision to secure the supply they needed legitimately at low cost: "Morphine which the peddler sells for a dollar a grain would be supplied, of pure quality, for 2 or 3 cents a grain. The peddler, unable to meet such a price, would go out of business—the illicit narcotic drug industry, the billion-dollar drug racket, would automatically cease to exist."⁵¹ Such appeals fell on deaf ears—much to the delight of both drug smugglers and drug law enforcers.

Drugs and Geopolitics

The emerging illicit drug trade was shaped not only by prohibitions but also by geopolitics. As the United States became a dominant player on the world stage, drugs and national security increasingly bumped into each other—at times awkwardly, but also in politically useful ways. Geopolitics trumped drug enforcement during and after World War II, often to the advantage of politically protected traffickers. At the same time, anticommunist anxieties provided added ideological ammunition for America's antidrug campaign. In other words, the United States

overlooked drug trafficking when geopolitically convenient, while also disparaging geopolitical rivals as complicit in the drug trade.

Anslinger cultivated close relations with the intelligence community, and he was pleased to have the FBN's surveillance capacities put to good use during the war years when the illicit drug trade had largely dried up with the disruptions in global transportation. For instance, Garland Williams, the head of the FBN's New York office, became director of special training at the Office of Strategic Services (OSS, predecessor of the CIA). Similarly, FBN agent George Hunter White was appointed as director of counterespionage training at the OSS. After the war, the FBN jointly operated safe houses with the CIA in New York and San Francisco, provided CIA operatives with FBN jobs as cover overseas, and even collaborated on mind-control drug research experiments.⁵²

Not just drug-control agents but also drug traffickers were recruited in the pursuit of American war objectives. Most notable was the case of Charles "Lucky" Luciano, who had made a name for himself as a bootlegger and also engaged in heroin trafficking and organized prostitution. Arnold Rothstein's illicit drug import business passed on to Luciano and other underlings in the New York underworld, such as Meyer Lansky, Louis Buchalter, and Frank Costello.⁵³ In 1936 Luciano began a long prison sentence for running a New York prostitution ring. World War II proved to be the break that gave him his get-out-of-jail-free card; he was pardoned and deported to freedom in Italy in 1946 as a reward for his wartime collaboration with U.S. Naval Intelligence.⁵⁴

Luciano made a deal: using his business partner Lansky as a go-between, he agreed to gather intelligence from his contacts in New York's waterfront underworld to protect the city's harbor against German espionage and sabotage, and also use his mafia contacts in Italy to help prepare the way for the 1943 American invasion of Sicily. It remains unclear how useful Luciano's information actually proved to be. In any case, FBI director J. Edgar Hoover was stunned when he heard about it: "This is an amazing and fantastic case," he wrote in a memo. "We should get all the facts, for it looks rotten to me from several angles." When informed that the Office of Chief of Naval Operations "acknowledges that Luciano was employed as an

informant," Hoover called it "A shocking example of misuse of Navy authority in interest of a hoodlum. It surprises me they didn't give Luciano the Navy Cross."⁵⁵

After the war, Luciano, along with many other American crime figures of Italian descent, were shipped off to Italy. Bringing with them their illicit business knowledge and connections, many of these deported mobsters proceeded to help revive the postwar international heroin trade and supply the U.S. market. As a *Rome Daily American* article reported in 1951, "An estimated fifty men deported from the U.S. to Italy on narcotics charges since the war are believed to have formed the nucleus of a far-flung dope smuggling network."⁵⁶ Luciano was singled out by the FBN as the heroin smuggling ringleader, giving Anslinger a familiar face to blame for the country's drug problem. But the FBN certainly knew that Luciano was just one of many traffickers feeding America's drug habit.⁵⁷ And some of these suppliers, including CIA-backed Chinese nationalists using dope money to help fund their anticommunist campaign along the southern Chinese border, were simply overlooked by Anslinger because it was too geopolitically awkward to do otherwise.⁵⁸

Cold War geopolitics also inadvertently helped transform Marseille into the main source of U.S.-bound heroin in the 1950s and 1960s. Marseille, France's second largest city and biggest port, was a key entry point for Marshall Plan aid shipments to Europe. It was also a French communist party stronghold and the epicenter of the country's labor movement, which launched strikes that threatened to disrupt shipping and the postwar economic recovery. Viewing French labor struggles through the prism of the East-West conflict, the CIA secretly recruited and funded Corsican gangs to harass local communist leaders, intimidate trade unionists, and break the picket lines. The CIA's covert operation worked as planned—communist influence and labor activism in Marseille were greatly reduced—but left a lasting unintended legacy: newly empowered and politically protected, these very same gangs and their leaders came to dominate the Corsican underworld and control the Marseille waterfront.

Corsican-run heroin laboratories soon sprang up around Marseille, turning morphine base shipped in from Turkey and elsewhere into high-grade U.S.-bound heroin. The product was of such high quality

and purity and the business was run so efficiently that Luciano and his Sicilian partners also turned to the Marseille labs to process their heroin. From there, Luciano's old business partner Lansky, and mafiosi such as Santo Trafficante, helped move the product into the U.S. market. This infamous "French Connection"—the inspiration for the 1971 Hollywood film by the same name—was America's main heroin supplier until the early 1970s.⁵⁹ Some of this heroin supply arrived in the United States via South America—brought in on the same private planes that smuggled large quantities of tax-evading American contraband goods (ranging from cigarettes and whiskey to Levi's jeans) to Paraguay for regional black market distribution.⁶⁰

Meanwhile, the FBN shrewdly tied the drug threat to the foreign threat of communism. "Red China" was publicly accused of trying to destroy Western society and of generating hard cash through heroin sales to U.S. drug pushers.⁶¹ Anslinger charged that Mao's China was the "greatest purveyor in history of habit-forming drugs" and was "reaping tremendous amounts from its network of narcotics smugglers operating on a world-wide basis."⁶² In reality, China had launched a draconian crackdown on drugs, jailing or executing thousands of drug traffickers and dealers and largely removing the country from the narcotics trade. Along with remnants of Chinese nationalist forces, opium production had been pushed to remote areas of Burma, Laos, and Thailand. These rebels not only received covert military supplies from the CIA-owned Civil Air Transport (later renamed Air America) but also used their politically protected transportation link as a cover for drug shipments.⁶³

While denouncing China, Anslinger was silent in public about the influx of drugs from allied France even as his own field agents were increasingly preoccupied by it.⁶⁴ The political atmosphere of the 1950s created a Congress receptive to Anslinger's designs: Americans were absorbed by hearings on the Mafia and organized crime and were consumed by fears of communist aggression and subversion, heightened by McCarthyism. In the Senate, the subcommittee chaired by Texas Democrat Price Daniel embraced Anslinger's assertions about the Chinese communist threat, concluding that "subversion through drug addiction is an established aim of Communist China."⁶⁵ Daniel's subcommittee recommended tougher penalties, arguing that the offenses

of "heroin smugglers and peddlers" amounted to "murder on the installment plan."⁶⁶ The resulting Narcotic Control Act of 1956 raised mandatory minimum penalties (five to twenty years for the second offense; ten to forty years for the third offense) and permitted juries to impose the death penalty on any adult who sold heroin to a minor.⁶⁷

Nixon's Drug War

Anslinger's decades-long antidrug campaign was just a warm-up to the "war on drugs" declared by President Richard Nixon. Starting in the late 1960s and early 1970s, the country experienced dramatic growth in both drug use and drug enforcement. In 1967 *Life* magazine described the suddenly transformed American drug scene: "Almost overnight the U.S. was embarked on the greatest mass flouting of the law since Prohibition."⁶⁸ The new drug culture was part of the new youth culture of the Sixties, one in which defying drug laws mirrored the larger rebellion against traditional authority. Consequently, even as the counterculture revolution rejected mainstream consumerism, illicit drug use became an increasingly important part of American consumer society.

Marijuana was the drug of choice, with "Acapulco Gold" imported from Mexico the most popular. Customs agents seized only seven thousand pounds of marijuana in 1964, most of it coming in from Mexico, but by 1968 seizures had skyrocketed to sixty-five thousand pounds.⁶⁹ Even factoring in such seizures, the smuggling incentives in a booming consumer market were overwhelming. Consider, for instance, that a ton of marijuana at the time was worth about \$12,000 in the Mexican state of Sinaloa, increased to about \$25,000 by the time it reached Tijuana, then increased to \$65,000 across the border in San Diego, and sold for as much as \$100,000 a ton in Los Angeles and \$200,000 a ton in San Francisco. This meant that even if a smuggler were to lose half a shipment it was still hugely profitable.⁷⁰

The biggest transportation challenge to the marijuana smuggler was that the product was both bulky and smelly—and therefore vulnerable to nosy border inspectors and the noses of drug-sniffing dogs. Many smugglers simply played the odds, betting that their pot-filled vehicle would not be searched at the border by blending in with the high

volume of regular cross-border traffic. Other smugglers increasingly bypassed border inspections entirely by using small aircraft to deliver their loads.

Heroin was even more profitable than marijuana, pound for pound, and far less cumbersome and detectable. And like marijuana, consumer demand was growing. Whereas the profile of the average American heroin user for much of the 1960s was young, lower-class, and black or Hispanic, by the end of the decade the profile broadened to include returning Vietnam war veterans and suburban whites. By the early 1970s more than half a million people in the United States were estimated to be heroin addicts. In 1971, public opinion polls indicated that Americans considered heroin addiction to be the country's third most serious problem, after Vietnam and the economy.⁷¹

It was in this changing societal context that President Nixon made drugs a central policy concern and the drug war as we know it today began in earnest. Until then, executive officials above the rank of Federal Bureau of Narcotics Chief Harry Anslinger had rarely occupied themselves with drug-control issues. In 1969 Nixon catapulted drugs to the center of the political stage, declaring it a "national threat." The president helped spearhead new laws, pushed for dramatic funding increases, and reorganized and expanded the federal antidrug bureaucracy. In June 1971 Nixon informed Congress, "The [drug] problem has assumed the dimensions of a national emergency."⁷² Media executives received a similar call to arms: "Drug traffic is public enemy number one domestically in the United States today and we must wage a total offensive, worldwide, nationwide, government-wide, and, if I might say so, media-wide."⁷³

The president backed his rhetoric with legislative initiatives. The Comprehensive Drug Abuse Prevention and Control Act of 1970 merged previous federal antidrug regulations under one statute. Whereas the 1914 Harrison Act based jurisdiction of drug control on the constitutional power to tax, the 1970 act based jurisdiction on the much more expansive interstate-commerce powers of the Constitution. Antidrug spending ballooned. The federal budget for drug enforcement climbed from \$43 million in fiscal 1970 to \$321 million in fiscal 1975.⁷⁴ A vast new antidrug bureaucracy emerged with the rise in federal spending. The previous thirty years had seen only

a slow reorganization and growth in the drug-control apparatus. By the late 1960s the FBN still had a relatively modest budget of \$6 million (about twice its 1932 budget) and a staff of some three hundred agents (roughly the same number as in 1932). A second agency, the Bureau of Drug Abuse Control, had been created in the Department of Health, Education, and Welfare in 1965 to regulate hypnotics and stimulants. And in 1968, the last year of the Johnson administration, the two agencies were merged to form the Bureau of Narcotics and Dangerous Drugs (BNDD) and placed in the Justice Department.⁷⁵ Nixon moved forcefully to expand the bureaucratic base for his war on drugs. In 1973 he consolidated all agencies involved in drug control, including the Customs Service Drug Investigation Unit, into a new drug superagency—the Drug Enforcement Administration (DEA)—with operational reach around the globe.⁷⁶

Nixon's initiatives expanded the nation's drug war to include an ambitious campaign abroad. The foreign drug war was designed, in Nixon's words, to "strike at the 'supply' side of the drug equation—to halt the drug traffic by striking at the illegal producers of drugs, the growing of those plants from which drugs are derived, and trafficking in these drugs beyond our borders."⁷⁷ The concern over foreign supply had long been a focus for nativist and other antivece crusaders. But before Nixon the government's approach was largely rhetorical, diplomatic, and low-profile. Nixon turned foreign supply into a far more prominent issue.

Nixon first went after the Mexican marijuana supply. "Operation Intercept" deployed two thousand agents to the Mexican border in September 1969 to search automobiles and trucks crossing the border in what was officially described as "the country's largest peacetime search and seizure operation by civil authorities." Predictably, the main results were massive border traffic jams, jolts to the economies of border cities, and strongly worded protests from Mexican officials. Few drugs were seized during the two-week operation—smugglers simply took a break, rightly calculating that the crackdown would be short-lived—but the Mexican government got the message that it would have to show more antidrug cooperation and resolve.

Nixon's next foreign target was Turkish opium production, the main morphine base supply source for the Marseille heroin labs.

The United States applied intense diplomatic pressure, threatening to cut off aid if the Turkish government did not stop production and offering reimbursement for losses resulting from reduced poppy cultivation. The Turks complied, and Nixon declared victory. The temporary scarcity of heroin in 1972 and 1973, however, was soon reversed as the slack was taken up by supply from Mexico, Afghanistan, Pakistan, and the Golden Triangle in Southeast Asia.⁷⁸ And once again, Cold War geopolitics—especially in Southeast Asia and later in South Asia after the Soviet invasion of Afghanistan—only made things more awkward and complicated, since key U.S. anticommunist allies were also entangled in drug trafficking. As historian Alfred McCoy documents, the CIA was complicit not through corruption or direct involvement in the drug trade but rather through what he describes as a radical pragmatism that tolerated and even facilitated drug trafficking by local allies if it served larger Cold War goals.⁷⁹ Politically protected traffickers included suppliers of heroin to tens of thousands of American troops in Vietnam—who in turn helped to smuggle the drug into the United States through a variety of conveyances ranging from GI care packages to body bags.⁸⁰

Meanwhile, the marijuana trade continued to boom in the 1970s, with Colombia rising as a competitor to Mexico as a supplier to the U.S. market. “Santa Marra Gold” from the northern coast of Colombia attracted a higher-end American consumer willing to pay a premium over the price of the competing Mexican product. Colombian suppliers received a huge boost thanks to the fallout from a U.S.-sponsored Mexican marijuana crop eradication campaign in the mid-1970s. Since uprooting marijuana plants by hand was slow and labor-intensive, the Mexican government turned to spraying marijuana fields with the herbicide Paraquat. But farmers simply went ahead and harvested their sprayed crops, and American consumers ended up smoking it—with many getting ill from poisoned pot.⁸¹ The resulting public panic and outcry prompted a federal government investigation, which found that one-fifth of seized marijuana along the border was tainted with the chemical. Marijuana dealers and consumers scrambled to find an alternate supply source, and the Colombians were more than willing to step in. By 1978 they had reportedly taken over an estimated three-quarters of the U.S. market.⁸² And it was an enormous market: by 1979, an

estimated fifty-five million Americans had used some type of cannabis, including about two-thirds of eighteen-to-twenty-five-year-olds.⁸³

Much of the Colombian marijuana supply was smuggled in through the Caribbean to South Florida by boat. Speedboats would zip out and back from the Florida coast, bringing in marijuana loads from mother ships anchored offshore. Government interdiction was minimal, smuggling operations were loosely organized with plenty of freelancers and small local operators (including fishermen who found a much more profitable use for their boats), and the whole business involved only modest risk and relatively little recourse to violence. This was the heyday of marijuana smuggling in South Florida. But it proved to be short-lived. Everything changed by the early 1980s with the avalanche of Colombian cocaine and the ratcheting up of America's war on drugs.

In Darwinian fashion, more sophisticated, organized, and violent traffickers increasingly came to dominate the trade—building on and adapting the old transportation and distribution infrastructure set up for smuggling Colombian marijuana in earlier years. So in a sense, by helping to stimulate Colombian marijuana exports to the United States, the Paraquat-spraying disaster in Mexico inadvertently helped to pave the way for the rise of the Colombian cocaine industry.⁸⁴

Cocaine Wars

Cocaine use in America, which had been largely dormant since the 1930s, began to rise in the late 1960s and early 1970s, in part as a result of stricter federal controls over other stimulants such as speed and other amphetamines.⁸⁵ By 1979 the National Institute on Drug Abuse estimated that cocaine use had nearly tripled in two years.⁸⁶ By 1980, “the number of cocaine powder sellers [in New York City] outnumbered that of heroin sellers by two to one.”⁸⁷ Initially, many cocaine users were middle-class and affluent—powder cocaine was a relatively expensive “status drug”—although large numbers of lower-income drug users were inhaling cocaine when they could afford it.⁸⁸

Cocaine was considered by users, and even by many medical authorities, as nonaddictive, for habitual users did not experience the physiological symptoms of heroin withdrawal.⁸⁹ As *Time* magazine reported

in July 1981, "Superficially, coke is a supremely beguiling and relatively risk-free drug—at least so its devotees innocently claim. A snort in each nostril and you're up and away for 30 minutes or so. Alert, witty and with it. No hangover. No physical addiction. No lung cancer. No holes in the arms or burned-out cells in the brain. Instead, drive, sparkle, energy."⁹⁰ The magazine's cover illustration—a martini glass filled with cocaine—captured cocaine's new status as America's most fashionable drug. Similarly, the *Time* cover story also captured the upbeat attitude toward the drug: "Whatever the price, by whatever name, cocaine is becoming the all-American drug. No longer is it a sinful secret of the moneyed elite, nor merely an elusive glitter of decadence in raffish society circles, as it seemed in decades past." It continued: "Today, in part precisely because it is such an emblem of wealth and status, coke is the drug of choice of perhaps millions of solid, conventional and often upwardly mobile citizens. . . ."⁹¹

Colombian smuggling entrepreneurs were perfectly positioned to feed America's growing appetite for cocaine. Colombia first entered the cocaine business in the early 1970s, building on earlier illicit trades in marijuana and tax-evading contraband goods (especially cigars and whiskey). Medellín, the country's most industrialized and export-oriented city, soon became the leading center for the cocaine-export industry. Even as textiles, traditionally the city's vital export sector, fell on hard times, the illicit cocaine-export sector took off. This also had an enormous economic ripple effect throughout the Andean region, fueling a coca cultivation boom in remote areas of neighboring Peru and Bolivia. Hundreds of thousands of Andean peasant farmers turned to growing the raw material used to process Colombian cocaine for the U.S. market.⁹²

Medellín's drug trade entrepreneurs, specializing in refining and wholesale trafficking, led the way in turning cocaine into a mass production industry capable of handling large-scale cocaine shipments to the United States. What started out as a business dealing in hundreds of kilos turned into tons of kilos by the late 1970s. Medellín traffickers were also advantaged by the fact that many Colombians from the same region of the country as Medellín had migrated to the east coast of the United States in the late 1960s and early 1970s, providing a ready-made distribution network.⁹³ Medellín's old elites soon found themselves

pushed aside by brash new narco-elites such as Pablo Escobar. Escobar, who began his criminal career stealing gravestones and cars, became the most recognizable face of the international drug trade, even making the *Forbes* list of the top billionaires in the world. Escobar's fame, fortune, and bravado in directly challenging the Colombian government (including assassinating the country's justice minister in 1984) made him the world's most famous outlaw at the time—which in the end would prove to be his undoing.

One of Escobar's business partners, Carlos Lehder Rivas, is credited with pioneering the transportation of cocaine through the Caribbean to the United States by small aircraft. Lehder started out smuggling marijuana but then upgraded to cocaine. At the height of his trafficking career in the late 1970s and early 1980s, Lehder took over Norman's Cay, a tiny island in the Bahamas, and turned it into his own private

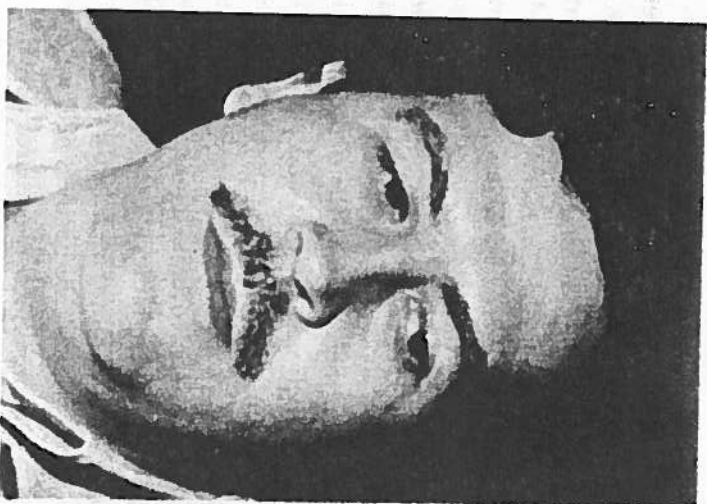


Figure 14.5 Colombian cocaine trafficker Pablo Escobar, the most famous smuggler of the modern era. In 1989 *Forbes* magazine listed Escobar as the seventh-richest person in the world (DEA Museum).

airstrip. Government authorities in Nassau were suspected of taking hefty bribes to look the other way, tolerating Leher's transport business until U.S. pressure and media coverage finally prompted them to shut it down.

But while Leher was an air transport pioneer of sorts, he was also simply the latest smuggler to exploit the Bahamas as the most convenient transshipment hub in the Caribbean (recall the role of Nassau in blockade running during the American Civil War, and in supplying Rum Row during the Prohibition era). What was new in the case of moving cocaine is that much of it was now coming into the United States not only by sea but also by air. Moreover, the Bahamas also facilitated the laundering of cocaine money, serving as a world-class financial haven useful to dictators, corporate executives, and drug traffickers alike.

With the snowstorm of Colombian cocaine also emerged the myth that the whole business was tightly controlled by a few hierarchically organized trafficking "cartels." The cartel myth was created and perpetuated by politicians, journalists, and law enforcement agents looking for a simple and easily identifiable target.⁹⁴ Over time, use of the term *cartel* was so common that it became a permanent part of the drug war vocabulary. But the reality was considerably more complex. By definition, a cartel exerts sufficient control over a market that it can set prices. But the cocaine trade was in fact hypercompetitive—indeed, ruthlessly so, as is evident from violent competition for turf and market share. Cocaine prices plummeted and purity levels increased during the course of the decade. A kilo of cocaine in Miami was worth between \$47,000 and \$60,000 in 1982, but it plummeted to between \$9,000 and \$14,000 by late 1987.⁹⁵ Overall, wholesale cocaine prices in the United States dropped by 75 percent between 1980 and 1988. Moreover, as law enforcement went after the most visible and well-known trafficking organizations—first targeting Escobar and other leaders of the "Medellin cartel" and then the competing "Cali cartel"—the cocaine business became more fragmented and dispersed, based more on loose, flattened networks than centralized and hierarchical organizations.

As the main gateway to the U.S. drug market in the late 1970s and early 1980s, South Florida became ground zero for both drug profits

and drug violence, with competition over cocaine distribution turning the Miami area into the murder capital of the country. No surprise, then, that South Florida also became the main target of President Ronald Reagan's escalating drug interdiction campaign. The South Florida Task Force, under the direction of Vice President George H. W. Bush, was launched with much fanfare in January 1982 to block air and sea drug-smuggling routes in the Southeast. Federal funding for interdiction doubled between 1982 and 1987, mostly concentrated in South Florida and the Caribbean.

Traffickers adjusted. As air interdiction improved, traffickers shifted away from direct flights into Florida and returned to sea routes, ferrying in cocaine loads by speedboat from mother ships waiting offshore. As sea interdiction then improved, traffickers turned to using airdrops rather than mother ships—with speedboat crews picking up floating cocaine packages and ferrying them back to shore. Over time, traffickers shifted not only their methods but also their routes, turning westward to move more of their drug shipments through Central America and Mexico.

A tighter interdiction net also accelerated the switch from smuggling pot to coke: as risks and penalties increased, drug traffickers calculated that it simply made more financial sense to transport the much more compact and profitable white powder. After all, a plane flying in \$3 million worth of marijuana could fly in \$26 million worth of cocaine.⁹⁶ American interdiction efforts consequently turned into a peculiar form of protectionism, with marijuana growers in California, Oregon, and other states the leading beneficiaries.

Escalation

America's transformed drug landscape provided a ready-made target for the Reagan-era conservative backlash. President Reagan's drug-policy agenda was shaped by a large and vocal national constituency that had grown impatient with the permissive attitudes toward drug use and other counterculture activities of the previous decade. At the center of his domestic policy agenda was a set of social policies, articulated most powerfully by the so-called moral majority, which embodied a defense of traditional family values, conservative Christian morality, and patriotism.

President Reagan launched his drug war by using his executive power first to revise executive-branch regulations, organizations, and lines of authority. By the end of his first year in office, Reagan had issued an executive order drafting the entire federal intelligence apparatus into the war on drugs and ordering them to provide guidance to civilian drug enforcement agencies. The president also opened the door, for the first time, to the military's involvement in the war on drugs by securing an amendment to the Posse Comitatus Act, which had outlawed military involvement in civilian law enforcement for more than a century. The Reagan administration argued successfully that the U.S. Navy be allowed to join civilian agencies, such as the Coast Guard, in interdicting smuggling vessels at sea, and all branches of the military were empowered to assist Customs, the Coast Guard, and the DEA with training, equipment, and information. Funding for the military's counterdrug role was \$4.9 million in 1982, but it would skyrocket to more than \$1 billion by the early 1990s.⁹⁷

In June 1982 Reagan put the federal bureaucracy on notice that the drug war was now a priority mission. The heads of eighteen federal agencies, the vice president, several military leaders, and the commissioner of the IRS were ordered to the White House for a special address: "We're taking down the surrender flag that has flown over so many drug efforts. We're running up the battle flag. We can fight the drug problem, and we can win."⁹⁸ In his 1983 State of the Union address, Reagan confirmed, "The administration hereby declares an all-out war on big-time organized crime and the drug racketeers who are poisoning our young people."⁹⁹ The media helped fuel the Reagan effort, providing extensive coverage that built up the drug threat beginning in 1982. The administration intended to use "a scorched-earth policy" in drug enforcement, according to former Associate Attorney General Stephen S. Trott. It would not only send traffickers to jail but also lay claim under the new forfeiture laws to "everything they own—their land, their cars, their boats, everything."¹⁰⁰

The introduction of a new cocaine derivative—"crack," the "poor man's coke"—added fuel to the drug war fire. Smokable cocaine had been around since the late 1970s as cocaine "free base," but not until the mid-1980s was it packaged and mass marketed as crack, with a relatively affordable price that made it popular in poor urban

neighborhoods. There was an important racial and class dimension to the reaction to crack: as dealing and use became more visible in urban black and Latino neighborhoods, the crack trade and related violence came to be powerfully tied to negative images of poor minority Americans.¹⁰¹

The national panic over the spread of crack cocaine made the drug war an even more potent issue in electoral politics. As *Congressional Quarterly* commented: "In the closing weeks of the congressional election season, taking the pledge becomes a familiar feature of campaign life. Thirty years ago, candidates pledged to battle domestic communism. . . . In 1986, the pledge issue is drugs. Republicans and Democrats all across the country are trying to outdo each other in their support for efforts to crush the trade in illegal drugs."¹⁰² Senator John McCain spoke for many in Congress: "This is such an emotional issue—I mean, we're at war here—that voting no would be too difficult to explain," McCain said of Senate efforts to increase the military role in the drug war in 1988.¹⁰³

Meanwhile, as America's war on cocaine was ramping up, cocaine was quietly becoming entangled in a very different sort of war in Central America: the campaign by U.S.-backed Contra rebels against Nicaragua's Sandinista government. A three-year congressional investigation revealed that some of the same CIA-contracted air transport companies covertly hired to fly supplies to the Contras were also involved in transporting drugs. Although the nature and extent of CIA knowledge and involvement remains murky and steeped in controversy, the available evidence indicates that individual Contras, Contra supporters, and Contra suppliers exploited their political protections as a convenient cover for drug-trafficking operations.¹⁰⁴

A variation on this dynamic was simultaneously playing out in Afghanistan, where CIA-backed insurgents battling the Soviets were also involved in cultivating and smuggling opium poppies to help fund their political cause. Washington was apparently well aware of the situation but turned a blind eye in pursuit of larger geopolitical goals. "We're not going to let a little thing like drugs get in the way of the political situation," explained a Reagan administration official at the time. "And when the Soviets leave and there's no money in the country, it's not going to be a priority to disrupt the drug trade."¹⁰⁵

Militarization

The war on drugs was ramped up even further by Reagan's successor, George H. W. Bush, including drafting the military to take on a more frontline antidrug role. In his first prime time televised address to the nation, on September 5, 1989, President Bush held up a bag of crack cocaine. For added shock value, he announced that it had been bought across the street from the White House, in Lafayette Park—though he failed to mention that a bewildered drug dealer had to be lured there by undercover agents to make the buy. The president set the tone: "This is the first time since taking the oath of office that I felt an issue was so important, so threatening, that it warranted talking directly with you, the American people," the president began. He quickly declared a national consensus on the primacy of the issue—"All of us agree that the gravest domestic threat facing our nation today is drugs"—and then declared war, calling for "an assault on every front." Urging Americans to "face this evil as a nation united," Bush proclaimed that "victory over drugs is our cause, a just cause." Bush proposed that "we enlarge our criminal justice system across the board. . . . When requested, we will for the first time make available the appropriate resources of America's armed forces." The president called for a \$1.5 billion increase in domestic law-enforcement spending in the drug war and \$3.5 billion for interdiction and foreign supply reduction.¹⁰⁶ A *Washington Post*/ABC News poll taken after Bush's speech indicated that 62 percent of those polled were willing to give up "a few of the freedoms we have in this country" for the war on drugs. Eighty-two percent said they were willing to permit the military to join the war on drugs.¹⁰⁷

Bush took unprecedented steps to widen the drug-fighting authority of federal agencies. To a degree unmatched by previous presidents, he used his power as commander in chief to draft the U.S. military into the drug war, elevating what had been a sporadic and relatively minor role in assisting in civilian enforcement into a major national security mission for the armed forces. ~~In the fall of 1989~~ Secretary of Defense Dick Cheney declared drugs to be a high-priority mission of the Department of Defense. The fiscal 1989 National Defense Authorization Act charged the Defense Department with three new responsibilities. It was made the lead agency for detecting drug traffic into the country;



Figure 14.6 President George H. W. Bush displays a bag of crack cocaine evidence during his first televised address to the nation, September 5, 1989 (Bettmann/Corbis).

given responsibility for integrating all command, control, and communications for drug interdiction into an effective network; and told to approve and fund state governors' plans for using the National Guard in interdiction and enforcement. Funding for the military's drug-enforcement activities increased from \$357 in 1989 to more than \$1 billion in 1992.¹⁰⁸

The Pentagon became noticeably more enthusiastic about taking on drug war duties as the Cold War came to an end. A former Reagan official in the Pentagon commented: "Getting help from the military on drugs used to be like pulling teeth. Now everybody's looking around to say, 'Hey, how can we justify these forces.' And the answer they're coming up with is drugs."¹⁰⁹ One two-star general observed in an interview, "With peace breaking out all over it might give us something to do."¹¹⁰ The Pentagon inspector general found that a large number of officers consider drug control "as an opportunity to subsidize some non-counternarcotics efforts struggling for funding approval."¹¹¹ In 1990, for example, "the Air Force wanted \$242 million to start the central sector of the \$2.3 billion Over-the-Horizon Backscatter radar

network. Once a means of detecting nuclear cruise missiles fired from Soviet submarines in the Gulf of Mexico, Backscatter was now being sold as a way to spot drug couriers winging their way up from South America."¹¹²

Military equipment and technologies initially designed to deter military invaders were increasingly made available and adapted to deter drug law evaders. For example, Airborne Warning and Control System surveillance planes began to monitor international drug flights; the North American Aerospace Defense Command, which was built to track incoming Soviet bombers and missiles, refocused some of its energies to tracking drug smugglers; X-ray technology designed to detect Soviet missile warheads in trucks was adapted for use by U.S. Customs to find smuggled drugs in cargo trucks; researchers at Los Alamos Laboratory, the birthplace of the atomic bomb, started developing sophisticated new technologies for drug control; and the Pentagon's Defense Advanced Research Projects Agency began using its research on ant submarine warfare to develop listening devices to detect drug smugglers.¹¹³

Drug enforcement came to define post-Cold War U.S. security relations with many of its southern neighbors. Reflecting the new priorities, the U.S. Southern Command in Panama was transformed into a de facto forward base for drug interdiction. In 1989 the U.S. military was authorized to make arrests of drug traffickers and fugitives on foreign territory—without the approval of the host country.¹¹⁴ Drug control even provided the official rationale for the military invasion of Panama and the indictment of Panamanian General Manuel Noriega on drug-trafficking charges, no doubt the most expensive drug bust in history. Although U.S. intelligence reports connecting Noriega to drug trafficking went back as far as 1972, Washington tolerated and overlooked Noriega's shady dealings until he was no longer politically useful.¹¹⁵

The intelligence community was also drafted to take on a more frontline drug war role. In 1990 the CIA announced that "narcotics is a new priority."¹¹⁶ Some observers no doubt found this rather ironic, given that the agency had since its creation shown a chronic willingness to subvert the fight against drugs in the name of fighting communists. The most high-profile example of the CIA's new hands-on antidrug role

was the 1992–93 manhunt to help the Colombian government track down and eliminate the drug trafficker Pablo Escobar.¹¹⁷

Back home, meanwhile, the drug war was both transforming and overloading the criminal justice system. Fighting drugs was the main driver in the adoption of military models, technologies, and methods (including the proliferation of SWAT teams) in domestic law enforcement.¹¹⁸ At the same time, the criminal justice system was increasingly overwhelmed with drug cases. By 1990 drug cases accounted for an astonishing 44 percent of all criminal trials and 50 percent of criminal appeals. A dramatic increase in the number of Americans imprisoned made the United States the world's number one jailer, and much of the overload was a consequence of the war on drugs. Drug offenders as a proportion of inmates in federal prisons increased from 25 percent in 1980 to 61 percent in 1993.¹¹⁹ Bush's "drug czar," William Bennett, was an especially forceful advocate of the administration's hard-line rhetoric and punitive approach, telling a national radio audience that he saw nothing morally wrong with beheading drug traffickers.¹²⁰

The Clinton administration toned down the drug war rhetoric of his predecessors but did little to actually change drug laws or redirect federal drug-control agencies. A proposal to move the DEA, a product of Nixon's drug war, into the FBI was scrapped after generating intense pushback from both the DEA and members of Congress. A modest proposal cut to the interdiction budget was not only withdrawn, but a new position, interdiction coordinator, was created by administration officials who were anxious to reassure conservative critics in Congress that they took drug interdiction seriously. The new coordinator (who was also the head of the Coast Guard) immediately began to press for more funding.¹²¹ President Bill Clinton moved drug policy off the political agenda and out of the public spotlight, but the drug war machinery created and built up by his predecessors continued to grind on. As the governor of Arkansas, Clinton had at one point argued for decriminalizing marijuana. But as a president eager to not appear "soft on drugs"—especially after having acknowledged smoking, though not inhaling, marijuana while in college—Clinton never challenged the marijuana laws that had been significantly toughened in the 1980s. Marijuana arrests more than doubled during Clinton's years in office, reaching record levels.¹²²

Overall, the drug war looked little different from that of the Bush era: in 1990, under Bush, some 1,089,500 people were arrested for drug law violations. In 1993, under Clinton, 1,126,300 were arrested. One hundred and seven metric tons of cocaine and 815 kilograms of heroin were seized in 1990, compared to 110.7 tons of cocaine and 1,600.9 kilos of heroin netted in 1993.¹²³ Washington's relations with much of Latin America continued to be driven by drugs, with virtually all U.S. military and police aid to the region provided under the rubric of drug control by the end of the decade. Colombia became the third-largest recipient of U.S. military assistance (behind Israel and Egypt), with the Colombian government using it to blur the distinction between counterinsurgency and counterdrug operations.

The drug war bureaucracy continued to expand. The DEA's budget went from over \$219 million by 1981 to about \$800 million under Clinton.¹²⁴ And this accounted for only a fraction of the total budget for federal drug-law enforcement, which was more than \$8 billion in 1995. Roughly forty federal agencies or programs, in seven of the fourteen cabinet departments, had drug law enforcement responsibilities. Within the Department of Justice alone, the DEA was by the early 1990s just one of fifteen agencies or programs involved in drug control. For instance, the FBI, the Bureau of Prisons, and the Immigration and Naturalization Service all played various drug war roles, from criminal investigations to border checks to prison management. At Treasury, seven agencies had some role in drug enforcement. Customs, for example, was charged with interdicting and disrupting the illegal flow of drugs by air, sea, and land, and the IRS was involved in tracking drug-generated funds and disrupting money laundering. Within the Department of Transportation, the Coast Guard was mandated to eliminate "maritime routes as a significant mode for the supply of drugs to the U.S. through seizures, disruption and displacement."¹²⁵ And the Federal Aviation Administration helped identify "airborne drug smugglers by using radar, posting aircraft lookouts, and tracking the movement of suspected aircraft."¹²⁶ At the Department of Defense, whose mission was to provide "support to the law enforcement agencies that have counter-drug responsibilities," three new joint antidrug task forces were created.¹²⁷ And National Guard units searched cargo, patrolled

borders, flew aerial surveillance, eradicated marijuana crops, and lent expertise and equipment to law enforcement agencies.

Resilience and Adaptation

In the face of this extended and expansive U.S. drug war buildup, the illicit drug trade not only survived, it thrived. By the turn of the century, more drugs were more widely available and at higher levels of purity than ever before. In the case of marijuana (by far the nation's favorite illicit drug), 88.5 percent of high school seniors surveyed in 1982 said the drug was "fairly easy" or "very easy" to obtain. In 2000, the percentage of seniors who indicated they could easily obtain the drug was 88.5 percent—even though marijuana penalties, arrests, seizures, and so on had risen sharply. And to the extent that eradicating marijuana crops abroad and interdicting shipments at the border had succeeded, the main effect was to unintentionally give a boost to American pot growers. Partly thanks to suppression efforts against foreign supplies, domestic marijuana production mushroomed into a multibillion-dollar industry, possibly becoming the country's largest cash crop.¹²⁸

Meanwhile, even though Colombia's most notorious trafficking organizations—the so-called Medellín and Cali cartels—were dismantled in the 1990s, cocaine exports were barely denied. Adjusting to a more hostile enforcement environment, trafficking organizations became flatter, more dispersed, and decentralized—making them harder to penetrate and eliminate. Determined drug enforcers had demonstrated that they could successfully eliminate individual traffickers who had become too embarrassing and high-profile, such as Escobar, but this did not translate into elimination, or even a noticeable reduction, of trafficking. Colombian drug entrepreneurs also diversified both in product and in clientele, producing and exporting heroin and shipping more of the cocaine supply to Europe, where prices were much higher and the market was growing.¹²⁹

The drug war inescapably suffered from some of the same fatal flaws and contradictions that had doomed Prohibition earlier in the century. As was the case with alcohol in the 1920s, government policies aimed to make drugs such as cocaine and heroin scarce and expensive by outlawing them. Enforcement indeed raised prices by increasing the risks and

costs faced by smugglers. For decades the policy of drug prohibition kept consumer prices far higher than the legal price would be—and as happened with the prohibition of alcohol, this undoubtedly deterred some use. But it was unable to raise prices high enough to keep drugs out of reach. The drug war was unable to raise the cost of doing business high enough to put drug prices out of range for consumers because its success in artificially raising prices also inflated profits. And these profits provided a steady incentive for drug suppliers to remain in the trade and for new suppliers to enter. Because the drug war raised profits as it raised prices, the stick of drug enforcement that was intended to discourage suppliers simultaneously created a carrot of enormous profits, which encouraged suppliers. Such inflated profits repeatedly frustrated supply suppression efforts at home and abroad. In practical terms, this meant that “the average drug organization can afford to lose 70 percent to 80 percent of its product and still be profitable,” explained one DEA official. “How do you intend to put that group out of business with a basic policy of trying to suppress its product?”¹³⁰

The drug war was doubly doomed by the mobility and flexibility of the illicit trade. Cocaine, heroin, and marijuana were relatively easy to produce, transport, and sell. The amount of money and skill needed to enter the business was not high. These conditions repeatedly made even successful drug enforcement short-lived. Smugglers could simply put more drugs into the pipeline in order to offset what they projected losing in seizures. And there were always new recruits to take the place of those arrested. Often, attempts to suppress the trade in one locale simply encouraged new recruits or veteran smugglers to set up operations elsewhere. So, while the drug war generated ever more impressive eradication, seizure, and arrest numbers that made politicians and bureaucrats look tough on drugs, this did not translate into an overall reduction in the drug flow.

In short, far from deterring the drug trade, American-led supply-suppression campaigns ended up mostly dispersing and rerouting it. Rather than pushing the trade out of business, drug enforcement had mostly pushed it around—providing a rationale to further expand drug enforcement. And as we’ll see in the next chapter, nowhere were the consequences more devastating than along the U.S.-Mexico border.

IS

Border Wars and the Underside of Economic Integration

TWO OF MEXICO’S LEADING exports were noticeably left out of the North American Free Trade Agreement (NAFTA): illegal drugs and migrant workers. Instead, higher “tariffs” were imposed through more policing and fence building. But this did not change the fact that the U.S.-Mexico border was the main entry point for smuggling drugs and cheap labor into the country. This was the less celebrated clandestine underside of economic integration between the United States and Mexico at the dawn of the twenty-first century. The U.S.-Mexico borderline became not only the busiest land crossing in the world, for both legal and illegal flows, but also one of the most heavily fortified. This chapter traces this remaking of the border, the longest and most contested geographic divide between rich and poor on the planet. It was here that both the extent and the limits of government policing power were most starkly evident—setting the border-crossing rules and shaping the crossing methods and locations even if unable to fully control who and what crossed the line.

The southwest border had long been a smuggling gateway, yet it was not until the 1990s that the policing of smuggling became a high-profile and high-intensity militarized border campaign commanding enormous public and media attention. This was partly an unintended feedback effect of past policy choices, including a shift