

# Imperialism: Bankers, Drug Wars and Genocide.

## Mexico's Descent into Inferno

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*In May 2011, Mexican investigators uncovered another mass clandestine grave with dozens of mutilated corpses; bringing the total number of victims to 40,000 killed since 2006 when the Calderon regime announced its "war on drug traffickers". Backed by advisers, agents and arms, the White House has been the principal promotor of a 'war' that has totally decimated Mexico 's society and economy.*

If Washington has been the driving force for the regime's war, Wall Street banks have been the main instruments ensuring the profits of the drug cartels. Every major US bank has been deeply involved in laundering hundreds of billions of dollars in drug profits, for the better part of the past decade.

Mexico 's descent into this inferno has been engineered by the leading US financial and political institutions, each supporting 'one side or the other' in the bloody "total war" which spares no one, no place and no moment in time. While the Pentagon arms the Mexican government and the US Drug Enforcement Agency enforces the "military solution", the biggest US banks receive, launder and transfer hundreds of billions of dollars to the drug lords' accounts, who then buy modern arms, pay private armies of assassins and corrupt untold numbers of political and law enforcement officials on both sides of the border.

Mexico's Descent in the Inferno

Everyday scores, if not hundreds, of corpses – appear in streets and or are found in unmarked graves; dozens are murdered in their homes, cars, public transport, offices and even hospitals; known and unknown victims in the hundreds are kidnapped and disappear; school children, parents, teachers, doctors and businesspeople are seized in broad daylight and held for ransom or murdered in retaliation. Thousands of migrant workers are kidnapped, robbed, ransomed, murdered and evidence is emerging that some are sold into the illegal 'organ trade'. The police are barricaded in their commissaries; the military, if and when it arrives, takes out its frustration on entire cities, shooting more civilians than cartel soldiers. Everyday life revolves around surviving the daily death toll; threats are everywhere, the armed gangs and military patrols fire and kill with virtual impunity. People live in fear and anger.

The Free Trade Agreement: The Sparks that lit the Inferno

In the late 1980's, Mexico was in crisis, but the people chose a legal way out: they elected a President, Cuauhtemoc Cardenas, on the basis of his national program to promote the

economic revitalization of agriculture and industry. The Mexican elite, led by Carlos Salinas of the Institutional Revolutionary Party (PRI) chose otherwise and subverted the election: The electorate was denied its victory; the peaceful mass protests were ignored. Salinas and subsequent Mexican presidents vigorously pursued a free trade agreement (NAFTA) with the US and Canada , which rapidly drove millions of Mexican farmers, ranchers and small business people into bankruptcy. Devastation led to the flight of millions of immigrant workers. Rural movements of debtors flourished and ebbed, were co-opted or repressed. The misery of the legal economy contrasted with the burgeoning wealth of the traffickers of drugs and people, which generated a growing demand for well-paid armed auxiliaries as soldiers for the cartels. The regional drug syndicates emerged out of the local affluence.

In the new millennium, popular movements and a new electoral hope arose: Andres Manuel Lopez Obrador (AMLO). By 2006 a vast peaceful electoral movement promised substantial social and economic reforms to 'integrate millions of disaffected youth'. In the parallel economy, the drug cartels were expanding and benefiting from the misery of millions of workers and peasants marginalized by the Mexican elite, who had plundered the public treasury, speculated in real estate, robbed the oil industry and created enormous privatized monopolies in the communication and banking sectors.

In 2006, millions of Mexican voters were once again denied their electoral victory: The last best hope for a peaceful transformation was dashed. Backed by the US Administration, Felipe Calderon stole the election and proceeded to launch the "War on Drug Traffickers" strategy dictated by Washington .

The War Strategy Escalates the Drug War: The Banking Crises Deepens the Ties with Drug Traffickers

The massive escalation of homicides and violence in Mexico began with the declaration of a war on the drug cartels by the fraudulently elected President Calderon, a policy pushed initially by the Bush Administration and subsequently strongly backed by the Obama - Clinton regime. Over 40,000 Mexican soldiers filled the streets, towns and barrios - violently assaulting citizens - especially young people. The cartels retaliated by escalating their armed assaults on police. The war spread to all the major cities and along the major highways and rural roads; murders multiplied and Mexico descended further into a Dantesque inferno. Meanwhile, the Obama regime 'reaffirmed' its support for a militarist solution on both sides of the border: Over 500,000 Mexican immigrants were seized and expelled from the US ; heavily armed border patrols multiplied. Cross border gun sales grew exponentially .The US "market" for Mexican manufactured goods and agricultural products shrank, further widening the pool for cartel recruits while the supply of high powered weapons increased. White House gun and drug policies strengthened both sides in this maniacal murderous cycle: The US government armed the Calderon regime and the American gun manufacturers sold guns to the cartels through both legal and underground arms sales. Steady or increasing demand for drugs in the US - and the grotesque profits derived from trafficking and sales— remained the primary driving force behind the tidal wave of violence and societal disintegration in Mexico .



Drug profits, in the most basic sense, are secured through the ability of the cartels to launder and transfer billions of dollars through the US banking system. The scale and scope of the US banking-drug cartel alliance surpasses any other economic activity of the US private banking system. According to US Justice Department records, one bank alone, Wachovia Bank (now owned by Wells Fargo), laundered \$378.3 billion dollars between May 1, 2004 and May 31, 2007 (The Guardian, May 11, 2011). Every major bank in the US has served as an active financial partner of the murderous drug cartels – including Bank of America, Citibank, and JP Morgan, as well as overseas banks operating out of New York , Miami and Los Angeles , as well as London .

While the White House pays the Mexican state and army to kill Mexicans suspected of drug trafficking, the US Justice Department belatedly slaps a relatively small fine on the major US financial accomplice to the murderous drug trade, Wachovia Bank, spares its bank officials from any jail time and allows major cases to lapse into dismissal.

The major agency of the US Treasury involved in investigating money laundering, the Undersecretary for Terrorism and Financial Intelligence, deliberately ignored the blatant collaboration of US banks with drug terrorists, concentrating almost their entire staff and resources on enforcing sanctions against Iran . For seven years, Treasury Undersecretary Stuart Levey used his power as head of the Department for Terrorism and Financial Intelligence to pursue Israel 's phony “war on terrorism” against Iran , rather than shut down Wachovia’s money-laundering operations with the Mexican drug terrorists. In this period of time an estimated 40,000 Mexican civilian have been killed by the cartels and the army.

Without US arms and financial services supporting both the illegitimate Mexican regimes and the drug cartels – there could be no “drug war”, no mass killings and no state terror. The simple acts of stopping the flood of cheap subsidized US agriculture products into Mexico and de-criminalizing the use and purchase of cocaine in the US would dry up the pool of ‘cartel soldiers’ from the bankrupted Mexican peasantry and the cut back the profits and demand for illegal drugs in the US market.

### The Drug Traffickers, the Banks and the White House

If the major US banks are the financial engines which allow the billion dollar drug empires to operate, the White House, the US Congress and the law enforcement agencies are the basic protectors of these banks. Despite the deep and pervasive involvement of the major banks in laundering hundreds of billions of dollars in illicit funds, the “court settlements” pursued by US prosecutors have led to no jail time for the bankers. One court’s settlement amounted to a fine of \$50 million dollars, less than 0.5% of one of the banks (the Wachovia/Wells Fargo

bank) \$12.3 billion profits for 2009 (The Guardian, May 11, 2011). Despite the death of tens of thousands of Mexican civilians, US executive branch directed the DEA, the federal prosecutors and judges to impose such a laughable 'punishment' on Wachovia for its illegal services to the drug cartels. The most prominent economic officials of the Bush and Obama regimes, including Summers, Paulson, Geithner, Greenspan, Bernacke et al, are all long term associates, advisers and members of the leading financial houses and banks implicated in laundering the billions of drug profits.

Laundering drug money is one of the most lucrative sources of profit for Wall Street; the banks charge hefty commissions on the transfer of drug profits, which they then lend to borrowing institutions at interest rates far above what – if any – they pay to drug trafficker depositors. Awash in sanitized drug profits, these US titans of the finance world can easily buy their own elected officials to perpetuate the system.

Even more important and less obvious is the role of drug money in the recent financial meltdown, especially during its most critical first few weeks.

According to the head of United Nation's Office on Drugs and Crime, Antonio Maria Costa, "In many instances, drug money (was)... currently the only liquid investment capital.... In the second half of 2008, liquidity was the banking system's main problem and hence liquid capital became an important factor...interbank loans were funded by money that originated from drug trade and other illegal activities... (there were) signs that some banks were rescued in that way." (Reuters, January 25,2009. US edition). Capital flows from the drug billionaires were key to floating Wachovia and other leading banks. In a word: the drug billionaires saved the capitalist financial system from collapse!

## Conclusion

By the end of the first decade of the 21st century, it has become clear that capital accumulation, at least in North America, is intimately linked to generalized violence and drug trafficking. Because capital accumulation is dependent on financial capital, and the latter is dependent on the industry profits from the multi-hundred-billion dollar drug trade, the entire ensemble is embedded in the 'total war' over drug profits. In times of deep crises the very survival of the US financial system – and through it, the world banking system – is linked to the liquidity of the drug "industry".

At the most superficial level the destruction of Mexican and Central American societies – encompassing over 100 million people – is a result of a conflict between drug cartels and the political regimes of the region. At a deeper level there is a multiplier or "ripple effect" related to their collaboration: the cartels draw on the support of the US banks to realize their profits; they spend hundreds of millions on the US arms industry and others to secure their supplies, transport and markets; they employ tens of thousands of recruits for their vast private armies and civilian networks and they purchase the compliance of political and military officials on both sides of the borders

For its part, the Mexican government acts as a conduit for US Pentagon/Federal police, Homeland Security, drug enforcement and political apparatuses prosecuting the 'war', which has put Mexican lives, property and security at risk. The White House stands at the strategic center of operations – the Mexican regime serves as the front-line executioners.

On one side of the "war on drugs" are the major Wall Street banks; on the other side, the

White House and its imperial military strategists and in the 'middle' are 90 million Mexicans and 40,000 murder victims and counting.

Relying on political fraud to impose economic deregulation in the 1990's (neo-liberalism), the US policies led directly to the social disintegration, criminalization and militarization of the current decade. The sophisticated narco-finance economy has now become the most advanced stage of neo-liberalism. When the respectable become criminals, the criminals become respectable.

The issue of genocide in Mexico has been determined by the empire and its "knowing" bankers and cynical rulers.

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