

massive real estate investments in the city of Guadalajara. In this, he had the help of the then governor of Jalisco, Flavio Romero de Velasco (1976-82), during the same period in which Sinaloa's traffickers—among them Gallardo—were establishing their general headquarters in the state. In April 1985, the former head of Romero de Velasco's team of bodyguards was arrested in Puerto Vallarta, together with mafia bigshot Ernesto Fonseca Carrillo, who participated in the Camarena assassination. Fonseca was Félix Gallardo's man.

The ties between Arcadio Valenzuela and the Gallardo organization were further exposed when, in June 1985, Mexico's anti-narcotics police chief Florentino Venture arrested Guadalajara businessmen Enrique and Jorge Cordero Stauffer, for laundering the dirty money of Rafael Caro Quintero, the Gallardo organization man who was directly responsible for the Camarena assassination. It became public that the Cordero Stauffer brothers were friends and partners of Valenzuela. Further, Gallardo held investments in Plaza Mexico, the enormous and costly shopping mall in the very center of Guadalajara, constructed and owned by none other than Arcadio Valenzuela.

Had Mexican authorities not moved decisively against Félix Gallardo and his organization, the country would have fallen into the hands of the Colombian cocaine cartels in short order. It is an open secret that the Gallardo/Colombian network operated with virtual impunity during the 1982-88 administration of President Miguel de la Madrid, whose internal security forces were massively corrupted by the drug traffickers, as proven on numerous occasions.

Beyond Félix Gallardo

While the Gallardo arrest has delivered—for the moment—a blow to the Colombian cocaine-trafficking route through Mexico, the reality remains that it is the debt-induced economic depression in Mexico which has led thousands of Mexicans to devote themselves to the cultivation and trafficking of drugs throughout the country. There is not a city anywhere in Mexico in which drug trafficking is not the number one cause of criminal activity. Sixty percent of the country's prisoners are accused of drug-related crimes, and the jails are already filled to overflowing.

At the same time, the country's agricultural producers have been bankrupted by policies—dictated by the International Monetary Fund and imposed by the Mexican government—of not giving remunerative price guarantees for wheat, corn, bean, and other basic crops. According to the testimony of anti-drug police and soldiers, they are frequently forced into combat with peasants who have rented their lands to the drug traffickers, or who receive seeds, irrigation systems, weapons, and dollars to raise—and protect—marijuana and poppy crops. This is the economic reality behind the internal production of drugs in Mexico, as elsewhere.

In addition, Mexico's financial and banking system offers enormous opportunities for the laundering of drug money.

The interest rates offered for deposits in the national currency are already above 40% a year. Further, there are no banking regulations which require certain large depositors to explain the origins of their funds. In fact, the Mexican stock exchanges reward those agents who garner the largest investments, no matter the source of the capital. The banks operate on the same principle.

Gallardo and the French Connection in Mexico

The arrest of Miguel Félix Gallardo was the culmination of a highly successful action against the cocaine trafficking network in Mexico run by the Medellín Cartel, but the ramifications will also be felt by that organization known as the French Connection which, it appears, is in on a deal with the Colombian bosses for the world distribution and sale of cocaine.

This arrangement came to light last Feb. 18, during the arrest in Ciudad Juárez of Italian citizen Giuseppe Catania Ponsiglioni, who was charged with responsibility for the huge Medellín Cartel cocaine shipments entering the United States via Ciudad Juárez-El Paso, Texas. The shipments were run on the Colombian end through a retired major of the Colombian Army named Ariza, and were backed by one Fernando González in Panama. In Mexico, Catania negotiated the cocaine's transfer to the United States through a group of drug traffickers run by Gilberto Ontiveros, one of Félix Gallardo's partners.

Catania represented the interests of the French Connection heroin ring. In 1973, he was arrested in New York when the U.S. police destroyed an important network of the French mobsters. Catania moved to Mexico in 1980, where he passed himself off as a prosperous businessman.

His February arrest in Mexico was accomplished thanks to the collaboration of the French police, who sent information about his presence in Mexico. That information had initially led to the June 1988 arrest of three members of the French Connection in Mexico—Jean Claude Kella, and Jean and François Orsini, all from Corsica. The three Corsicans were part of a larger European-wide organization run by Belgian Francis Vanderbergue, who was arrested in Brussels on March 30, 1988. Like Catania, Kella arrived in Mexico in 1980. His arrest resulted from the confessions of heroin trafficker François Spula, arrested in Switzerland in May 1986.