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RESEARCH

## Vehicle Consumption, Theft and Smuggling in the Texas-Mexico Border, 1930–1960

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My work studies how the construction of international highways and the rise in automobile consumption in northern Mexico during the 1930s and 1940s facilitated the illegal entry of thousands of stolen cars from the United States and encouraged the expansion of vehicle theft in the U.S. Southwest. This illicit business exposed the vulnerability of the political border between the United States and Mexico. Likewise, I also study the efforts of both governments (the United States and Mexico) to stop this illegal activity and the response of transnational criminal gangs to adapt to the increasing intervention of the State on the border.

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**Keywords:** Borderlands; vehicle theft; smuggling

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In January 1952, Mexican police officers diligently looked for members of a transnational vehicle gang established in Nuevo Laredo, Tamaulipas, one of the most important border cities. Dedicated to vehicle theft and smuggling, this gang extended its tentacles to both sides of the Texas-Mexico border. In Texas, American thieves stole cars so they could take them to Mexico through Nuevo Laredo. Mexican police and the FBI had evidence to accuse the Nuevo Laredo's former Mayor, Juan de Dios Hinojosa, and the Mexican Secret Service former agent, Ramón Salinas, as members, and possibly leaders of this gang. At least one of Hinojosa's blood nephews was fully identified as a gang member and fugitive from justice. The modus operandi was that, after smuggling stolen cars to Mexico, customs agents gave fake importation cards. Vehicles were then promptly taken to one of two gang's garages, painted with different colors, and had their VINs altered. In addition, the Peña brothers, members of this gang, owned a ranch where they hid the cars for a while. After a proper time, cars were taken to other northern cities of the country and even to Mexico City to sell them.<sup>1</sup>

In this article, I hold that the peak of stolen vehicle smuggling to Mexico resulted from diverse factors: the border's porosity; road construction, extension and improvement; increase of vehicle consumption in Mexico; rise of car culture; and geographic vicinity with the biggest auto producer in the world. Through the border, initially connected by a highway that linked Texas with the Mexican capital via Monterrey, an endless number of cars stolen in the United States flooded the Mexican streets, and were legalized later, thanks to different acts of corruption. To confront this illegal cross-border practice, the United States and the Mexican governments took several actions, and even signed, in 1936, a binational agreement for the recovery and return of cars or auto parts stolen in a country and found in another. Despite all efforts, the car contraband flourished for many decades.

The time period determination for this article is based on the fact, that as of the 30s, both nations could be connected through a highway net, so the transnational flow of people and merchandise increased significantly. Besides, the American car industry was at its peak in those years, and car usage reached more Mexican population areas.<sup>2</sup>

The geographic area comprised by this study is not limited to the political border between the US and Mexico, but to a broader binational geographic space, ruled by the historical-social-cultural bonds that have

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<sup>1</sup> "Huge gang of car thieves in which Juan de Dios Hinojosa gets involved", *El Norte*, Monterrey, N.L., January 19, 1952.

<sup>2</sup> Since World War I, European car exportations to Latin America have practically disappeared, leaving the market to the US. By 1930, more than 33 million cars were manufactured in the world. Eighty five per cent came from U.S. factories. See. César Yáñez and Marc Badia-Miró (2011: 322–323).

united diverse populations of the current states of Coahuila, Nuevo León, Tamaulipas and Texas, that is, what historian Manuel Ceballos (1999: 3) defines as the *historical northeast*.

## Theoretical Concepts and Historiography

*Border* and *borderlands* terms stand out among the key concepts for my research work. Following historian Elliot Young (2004: 7), ‘border’ refers to the political limits or boundaries aimed to produce differences in order to shape national identities. ‘Borderlands’ instead, defines a cultural and ethno-racial community united beyond the national or imperial limits. We could also refer to the latter, as a *cross-border social space*. Anthropologist Efrén Sandoval (2012: 20–22) understands this concept as a regional space comprised of intense and diverse flows of people and objects and a broad variety of human practices that connect distant places (formerly integral parts of the same territory and currently located in different national territories).

### I. Roads and Vehicle Consumption in Mexico

The presence of vehicles in Mexico traces back to the dawn of the 20<sup>th</sup> century. In the first two decades, the few cars riding the dusty Mexican streets were accessible to a limited and privileged group of people. Since the 1920s, when Mexico started recovering economically from the damages caused by the Mexican Revolution, auto consumption in Mexico began spreading gradually to other population areas. This was evident in 1925, when the Ford Motor Company established its first assembly plant in the country to satisfy the increasing vehicle demand of Mexicans. Throughout the years, auto usage continued to increase and become more frequent in daily life. For instance, in February 1928 up to three car brands advertised daily in one of northern Mexico’s largest newspapers.<sup>3</sup>

Vehicle incursion was transforming the daily life of major Mexican cities. In 1928, *El Porvenir* newspaper introduced a weekly section titled ‘Cars and Roads.’ Almost every Sunday of 1928, this section displayed tips and explanations on car operation and information on road and highway construction in the region. The final goal was to familiarize population with the increasingly visible presence of motor vehicles.

The upsurge of car use in Mexico also caused General Motors to establish in 1935 their first assembly plant in Mexico. Chrysler Corporation would do so three years later. These three companies (Ford, GM and Chrysler) focused their Mexican operations on car assembly or mounting for local markets, whose demands had been previously satisfied exclusively with importations (Vicencio Miranda 2007: 214). However, most Mexicans with purchasing power to obtain luxury cars or brands and models not domestically assembled resorted to imported cars. That is, vehicles already assembled and fabricated in the US and legally introduced to the country by the incipient Mexican distribution business.

Since the end of the 19<sup>th</sup> century, northern Mexico residents used to cross the border to acquire all kinds of American products not available in Mexico. Alexis McCrossen (2009: 32) has studied the US-Mexico border from the consumption perspective. She considers that Mexico’s weak commercial infrastructure, its late and weak entry into mass production, typical of capitalism and, of course, the greater opportunity of accessing US consumer goods, caused northern border Mexicans to cross to the other side, to stock up with all kinds of merchandise, from milk and medications to cars.<sup>4</sup> The desire to access a larger variety of car options and, particularly, the high taxes to pay for legally import a vehicle, were the factors that made smuggling cars into Mexico highly attractive to criminals.

The initial section of the Pan-American Highway opened in 1929: this section connected Laredo, Texas with Monterrey, Nuevo León. This caused an unprecedented increase of American tourism in Mexico. More and more citizens of this country ventured to travel to Mexico. The presence of American travelers and cars in northern Mexico was very common from the 30s on. For example, and not the first one of its type but

<sup>3</sup> See *El Porvenir* Newspaper, February 12 1928 issue. A big advertisement for Ford appears in its pages, announcing its new models (page 2); in addition, on page 5 a local auto agency announces the benefits of the new Essex Super Six model; the same on section two, page 4. Another agency advertises the qualities of the new Overland Whippet model. I put the reference of that day in February 1928, but the truth is that they practically appear daily, especially during the first months of the year when the latest car models are offered for sale.

<sup>4</sup> McCrossen (2009) considers that although in 1848 an attempt was made to establish a geopolitical division between the two countries, it was not until 1920s and 1930s that both countries tried to reinforce that division. However, in practice they found themselves with a cross-border or transnational region connected by commercial interests, a cross-border consumer society that had been developing at full speed since 1880. That is, since the end of the ‘frontier,’ and the time when the train connected not only both border regions but also southern Texas with the rest of the North American economy, a period in which both cross-border regions underwent a rapid economic transformation.

certainly the largest at that time, a car excursion from Laredo to Monterrey was carried out on February 4<sup>th</sup> 1930, involving over 40 vehicles and above 100 people.<sup>5</sup>

Car excursion organization and car-friendly societies were common in the first decades of the use and proliferation of motor vehicles, mainly within wealthy families, as studied by historian Joel Wolfe (2010) for the Brazilian case. These 'car-friendly' groups or societies were also relevant in Monterrey. By the 1930s, at least the Mexican Automobile Association already existed, with headquarters in Monterrey, and had 380 subscribing members by the beginning of 1931. Said society was comprised by Monterrey upper class families, financially supported by the Monterrey Chamber of Commerce. This Association also had associates and support at the Chambers of Commerce in Saltillo, Ciudad Victoria and Tampico. The association was strongly related with car clubs in Texas and even with the American Automobile Association. Encouraging vehicle culture and promoting 'car tourism' in Mexico were among its responsibilities. For this purpose, they even produced a movie showing sections while driving through the Pan-American Highway to the cities of Monterrey and Tampico. The movie promoted the northeast region in US cities far from the border. They also financed radio advertising campaigns in the neighboring state of Texas and organized bus trips from San Antonio to Monterrey.<sup>6</sup> This association continued growing through the years. By 1936, the Monterrey Club promoted its services on a full page of *El Porvenir* newspaper and invited other motorists to become members of the association.

If the first stage of the Pan-American Highway generated an economic, social, and touristic impact in Monterrey, the inauguration of the new section continuing this road to Mexico City had an extensive and significant impact on a large portion of the country. The car tourism that during the 20s took off in the US—thanks to the economic boom, the increasingly affordable car prices and the construction of a vast road network—spread to Mexico in the following decade (Driever 2013: 8). The opportunity to reach Mexico in their own car (thanks to the highways) as well as the Great Depression caused a considerable increase of American tourism in Mexico. The 1930s economic depression facilitated Americans to choose Mexico as their main tourist destination by being more affordable than making a transatlantic trip to Europe (Merrill 2009: 66). In addition, the Mexican tourism industry had a significant boost, first with the Mexican government efforts by the end of the 20s and subsequently, with private investments both from Americans and Mexicans (Berger 2006: 39–40).

Dozens of new hotels and hundreds of restaurants were established in the main tourist destinations of the country and nearby cities of the Pan-American Highway. Government and private sector efforts worked together to attract US tourism to Mexico. Besides, the image of Mexico was also promoted in the United States as a tourist destination that could be reached by land and through one's own means. Shortly before the Mexican oil nationalization (1938), oil companies like Standard Oil and Texas Oil (TEXACO) promoted car tourism from the United States to Mexico (Berger 2006: 66). Railroad companies like Missouri Pacific Railroad extended their lines to the south border; Pan-American Airlines also started offering flights to Mexico. Besides promoting Mexico's image in the US, dozens of magazines and tourist brochures and even guides for traveling by car were published in English, including the one published by Michael and Virginia Scully in 1933: *Motorist's Guide to Mexico* (Merrill 2009: 70–71).

Texan Edward Furlong's work in promoting Mexico as an attractive, safe and secure tourist destination, whose visit by car was the best option, was significant. Furlong's brochure titled 'The Furlong Service' offered information about tourist conditions and facilities throughout the Pan-American Highway. Often updated, the brochure informed tourists on hotels, restaurants, gas stations and destinations. Edward Furlong also dedicated himself to promote Mexico as a tourist destination in the main US newspapers (Berger 2006: 64–66).

Such work was rewarded: Thousands of Americans traveled in their own vehicles to explore Mexico. The Pan-American Highway, indeed, laid out a bridge between both nations. For instance, the presence of American cars was evident in the Monterrey streets throughout the 1930s. Plenty of accident reports of vehicles with US license plates can be found both in newspapers and in the 'Traffic and Road Management' Collection of the Monterrey Historical Archive.

On the other hand, vehicle use and popularity consolidated fully in most parts of Mexico, particularly in the north. Numerous publicity items offering new car models, establishment of garages, mechanics, and car lots flourished in pages of main newspapers (of that time) like 'El Porvenir.' A total of 87,665 cars were registered in the whole country in 1930. Ten years later, the number reached 145,708 (Bess 2016: 158). Although

<sup>5</sup> AHSREGE, General Consular Administration, IV-301-7, February 15, 1930.

<sup>6</sup> AHSREGE, General Consular Administration, IV-532-70, "General Report of the Mexican Vehicle Association corresponding to the year 1930–1931", Monterrey, Nuevo León, November 30, 1931.

most of the vehicles were located in Mexico City (whose population was much larger), the next region in number of cars was the north. The northern Mexican economic and social ties, its long-standing habit of consuming merchandise acquired across the border, its financial capability and geographic proximity facilitated the northern states to obtaining a vehicle. Historian Michael K. Bess (2016: 169) found out that around 4,800 registered vehicles existed in Nuevo León in 1930 reaching over 38,000 in 1958.

The recently opened international roads contributed to reinforce the social and economic ties of cross-border populations but also to expand and increase illicit trade, since waves of stolen cars would arrive on those roads from the US to be sold in Mexico.<sup>7</sup> The weakness of the geopolitical boundary (*border*) to contain these illegal cross-border exchanges was exposed before the incapability of both countries governments to contain these constantly crossing practices of the border existing between both countries, which supposedly should be an insurmountable barrier.

Better connected now by new road infrastructure, southern United States and northern Mexico were consolidated as a cross-border social space (*borderlands*); the political border between both countries (*border*) was constantly infringed upon by all kinds of illegal exchanges, among others, the cars; this was mainly those that had been stolen in the United States, being able to easily leave the country without being detected (and without paying export duties), entering Mexico without paying taxes, to be legalized later, and finally sold.

## **II. Trafficking of Stolen Cars to Mexico**

The first news about illegal cars entering Mexico is from the 20s. At that time, the scarce American tourism in Mexico was done by those that crossed to Mexican border cities to visit bars, taverns and nightclubs and quench their thirst for alcohol (Merrill 2009: 37). The US prohibition on buying and drinking alcohol (1920–1933) encouraged liquor smuggling from Mexico to the United States and an increase of organized crime (Díaz 2015: 93–96). On the other hand, northern Mexico populations, as previously mentioned, had been crossing the border for several decades to satisfy their consumption necessities by buying all kinds of merchandise in the southern United States. Vehicles would be one of those merchandises.

In 1925, the Government Office addressed the northern states' governors, informing them that several car thefts had been discovered in the United States, which were later sold in Mexican border populations, thus it asked them to strongly persecute said activity.<sup>8</sup> Through such notification, Mexican authorities also conveyed that this illegal activity was easily thriving due to the diverse legislation each country had on this issue. To solve this legislative divergence, and before the significant increase of cross-border car crossings facilitated by the opening of the Pan-American Highway in the following years, both countries signed a binational treaty in 1936: 'Convention between the United States and Mexico for the recovery and return of vehicles subject to crime against property.'<sup>9</sup>

This agreement provided that, if a vehicle stolen in the United States was located in Mexico, the US Embassy would request from the Ministry of Foreign Affairs the return of said car. For this purpose, the Embassy would have to submit some official documents (originals and translations) to provide evidence of rights over the vehicle. Once the car was stolen in the United States, it generally became property of the insurance company, which was granted with legal rights over the stolen vehicle (if it ever appeared), after compensating the victim. The US thus created an 'Auto Theft Prevention Commission.'

This Agreement sought to stop the vehicle smuggling that harmed both nations' interests. On one hand, the rise of stolen cars represented multimillion dollar damage to auto insurance companies in the US; for the Mexican government, car smuggling also implied multimillion treasury losses by not collecting import taxes; and besides, these vehicles' illegal entries represented dishonest competition for auto assembly plants in Mexico and vehicle legal-importing agencies that could not compete against those prices.

The bureaucratic entanglements contained in the binational convention worked to hinder and slow down the stolen car recovery and return process. For example, in April 1938 Herbert Alexander's 1938 Oldsmobile Model Sedan was stolen from him. In February 21, 1939, the US Ambassador in Mexico, Josephus Daniels began the recovery process request for a car located in Mexico City. Because the Ministry of Foreign Affairs demanded that Daniels had to include all documents required by the convention, this request was delayed. Finally, extending to April 6, 1940, Mexican authorities returned the vehicle in question.<sup>10</sup>

<sup>7</sup> Vehicles were obviously not the only smuggled merchandise. Fabrics and clothes continued to prevail among the hundreds of other smuggled merchandises.

<sup>8</sup> AGENL, Fund: Federal Agency/ Ministry of the Interior Correspondence, Box 35, Exp. 58, México, D.F., June 25, 1925.

<sup>9</sup> Published in Federal Official Gazzette, México, D.F., July 23 1937.

<sup>10</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-401-12, México, D.F., February 21 1930.

Besides, the bureaucratic centralization (both American and Mexican) established in Mexico City obstructed action being closer to the border, where most illegal car crossings occurred and where many of those vehicles ended up. Therefore, the cars recovered were those located in the country's capital. Those remaining in the north were not always easily located. One of the first cases filed in the Historical Archive of the Ministry of Foreign Affairs dates from November 1936, about a 1936 Chevrolet Sedan, owned by a Customs Agent in El Paso, Texas. The car was seen in many northern cities like Ciudad Juárez, Torreón and Chihuahua. In May 1937, the search continued in other states like Nuevo León and Tamaulipas, but the vehicle was never located.<sup>11</sup>

Since the bulk of stolen cars circulated in northern cities that were not accessible to communication with and control from Mexico City, some US authorities would end up, over the years, evading the convention's protocol and adopting a more pragmatic posture by requesting directly the collaboration of these northern cities' authorities. For example, in March 1941, American detectives visited the Nuevo León's Attorney General to request their help to locate a stolen car at the north of the border; or in July 1954, where Nuevo León's police received a phone request from Arizona asking for their collaboration to recover a stolen vehicle in that US state.<sup>12</sup>

This smuggling operated as follows: the vehicle, preferably a recent model, was stolen in the United States. Subsequently, it went under a modification process, VIN altered and sometimes color changed. In extreme cases, the car even had further modifications, like a 1936 Chevrolet Sedan stolen in Los Angeles, California in January 1936. The vehicle was recovered in Ciudad Juárez on October 1940, where they found out that not only the VIN but also the color and bodywork had been modified. The car had been turned into a hearse in hopes of being unidentifiable.<sup>13</sup>

Once in the country, stolen vehicles were usually taken from one city to the other. Sometimes, these cars changed owners several times in a few months, and the purchase and sale processes ended up acquiring their legality before the Mexican authorities. This happened to Hugo Enríquez, a Mexico City resident, whose 1939 Chevrolet Sedan model was seized by the Judicial Police upon request of the Ministry of Foreign Affairs and the US Embassy. Enríquez complained about this action, and presented the official documents supporting the vehicle's legal possession, among others, the sales contract signed with 'Autos Elegantes' dealership. The business' legal representative informed in turn, that on October 1939, they bought the car from someone named Severino González. This person had documentation showing that he bought the vehicle in July 1939 from Carlos Pimentel, who in turn had acquired it from another dealership located in the northern part of the country. Everyone showed the corresponding contracts and invoices (seemingly legal) and Hugo Enríquez, the immediately affected party, argued that although the car the authorities were looking for, was of similar model as his, it didn't mean it was the same car, since the color and VIN didn't match. However, after investigating, the Police verified that the VIN was modified and had a different serial number. The result was that Enríquez was left without a car for having inadvertently purchased a vehicle stolen from A. O. Donelley in Miranda, Texas in early 1939.<sup>14</sup>

Although vehicle theft was the most widespread way of obtaining a car in the US and then taking it into Mexico for sale, there were also other illegal ways. A very common one was that an American citizen would buy a car in installments. After paying one or two monthly payments, they would disappear with everything and the vehicle. This was the strategy of a character called M. L. de Larrea, who bought in installments a 1936 Packard car in San Antonio, Texas, and only paid the first installment. Afterward, they discovered that he took the car to Mexico, but its location in Mexican territory was never known.<sup>15</sup> Harry de Ibarrodo did something similar. He purchased a 1939 Mercury Sedan in installments, but he never paid for it and decided to smuggle it into Mexico, where he sold it. Located by Mexican authorities in December 1940, the car was returned to their American counterparts.<sup>16</sup>

Another even more profitable strategy carried out by American criminals was taking a car with fake documentation to Mexico and selling it. Once back in the US, they reported the car as stolen and requested from the insurance company appropriate compensation. This happened with Harold Thomas Hermansen, arrested in Monterrey on July 27 1954, driving one of his two luxury Cadillacs. For three months, Hermansen

<sup>11</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-334-5, México, D.F., November 28 1936.

<sup>12</sup> "Searching a stolen car in McAllen, Texas", *El Porvenir*, March 6 1941 and "Report of a stolen car in United States", *El Norte*, July 8 1954.

<sup>13</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-430-26, México, D.F., July 31, 1940.

<sup>14</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-430-2, México, D.F., July 17, 1940.

<sup>15</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-434-15, México, D.F., December 9, 1940.

<sup>16</sup> AHSREGE, General Office of Diplomatic Service, Exp. III-411-38, México, D.F., October 2, 1939.

had been living comfortably in a middle-upper class area of the city. He owned a car lot in Texas where he acquired luxury cars at a good price, insured them for a good sum, then stole the vehicles himself, collected the insurance in the US, and sold them in Monterrey.<sup>17</sup>

Regardless of the strategy used by American or Mexican criminals to obtain a car, all of them benefited from the new roads that connected and got the two nations closer. Roads mobilized tourists and legal merchandise, but also allowed the increase of illegal activities. It is therefore, that the American literature at that time had plenty of examples of US citizens describing their Mexico journey by car, as in the Beat Generation's most representative novel: *On the Road* by Jack Kerouac, or the journey made by the main killers featured in *In Cold Blood* by Truman Capote.

Despite the binational agreement and good disposition of Mexican diplomatic authorities, the smuggling of stolen cars seemed unstoppable and far from decreasing; evidence shows that it continued to rise over time. For example, in 1941 Mexican police estimated that at least 1 of 5 cars crossing the border had been stolen in the United States.<sup>18</sup>

The 40s and 50s were the golden years for car theft in the United States. 21.8% of federal prisoners were car thieves in 1946. Ten years later, this number would double (Heitmann & Morales 2014: 37). Largely, car theft in the United States was closely associated with its sale and distribution in Mexico. On September 1951, even the US Automobile Theft Office Representative declared that most of the stolen cars in that country were sold in Mexico.<sup>19</sup>

In the same vein, FBI Director J. Edgar Hoover declared that vehicle theft was on the rise, they had reached losses of 95 million dollars in 1951, and many cars were sold abroad.<sup>20</sup> Three years later, and now with further studies, US authorities estimated that car theft in the country reached 200,000 in 1953 and, from these, more than 25,000 ended up in Mexico.<sup>21</sup> Moreover, according to Mexican authorities, just in Mexico City more than 9,000 vehicles stolen in the United States circulated the streets of the Mexican capital.<sup>22</sup> How did those stolen vehicles enter Mexico so easily? How could they circulate without being detected or bothered by Mexican authorities?

### **III. Entry of Stolen Cars into Mexico**

Stealing cars in US territory (or acquiring them through fraud) was just the first step in the complex process of vehicle trafficking. The next step consisted of smuggling such cars into Mexican territory. One of the strategies most used for smuggling cars to the country was entering Mexico by land driving a car as an American citizen and posing as a tourist. To obtain a temporary tourist permit, a small fee was paid at the Mexican border customs. Customs provided a card allowing the alleged tourist to use their car in Mexican territory for three to six months. At the end of said period, the tourist had to leave the country and return the temporary permit card through the same entry customs office.

As of 1930, at least, this practice began to spread, as evidenced by the car list submitted by the Nuevo Laredo Customs Director to the Nuevo León Governor asking him to investigate if the Monterrey Transit Headquarters had unduly registered such cars. All kind of vehicles appeared in this list, from simple sedans or coupes to luxurious Cadillacs. Among the information provided by the Nuevo Laredo Customs to the Nuevo León authorities was the driver's name who entered the car to the country. Since then, there is seen the presence of people who saw in car smuggling a lucrative business. For example, between July 3 and 25 1930, a R. Y. Pérez entered 3 Chevrolet vehicles that were never returned to the United States. One C. L. Jones also entered an unknown model Studebaker on October 11, 1930 and a Buick Sedan on December 6, same year. Both cars remained in Mexico.<sup>23</sup>

Smuggling cars into the country directly affected the Ministry of Finance and Public Credit treasury, which, through its customs, must control the entry of merchandise and report such income to the treasury. Although thanks to technological improvement and communication infrastructure, the presence of the Mexican state in the northern border increased gradually as of the second half of the 19<sup>th</sup> century; it was not

<sup>17</sup> "Dangerous American thug was captured by Monterrey police", *El Porvenir*, Monterrey, N.L., July 29, 1954; "Nefarious American thug was apprehended yesterday in this city", *El Norte*, Monterrey, N.L., July 28, 1954.

<sup>18</sup> "Law to restrict car theft", *El Porvenir*, Monterrey, N.L., March 30 1941.

<sup>19</sup> "Stolen cars are sold in our country", *El Porvenir*, Monterrey, N.L., September 21, 1951.

<sup>20</sup> "Increase of stolen cars in USA", *El Porvenir*, Monterrey, N.L., August 7, 1952.

<sup>21</sup> "25,000 stolen cars in the US are annually sold in our Republic", *El Norte*, Monterrey, N.L., June 22, 1954.

<sup>22</sup> "9,000 stolen cars circulate in the Federal District", *El Norte*, Monterrey, N.L., February 12, 1953.

<sup>23</sup> AGENL, Fund: Federal Agency, Serial: Customs, Volume 5, August 6, 1936.

however, capable of stopping the creativity and determination of smugglers, who continued trafficking all kinds of merchandise without being spotted by customs authorities or with their complicity.

It is worth mentioning that corruption, both from Customs agents and state and municipality authorities, facilitated the increase of car smuggling.<sup>24</sup> Different traffic offices in the northern cities of Mexico were the ones who finally 'whitewashed' or 'straightened out' an illegal vehicle by granting it a vehicle registration card and license plates. Therefore, since 1936, we find frequent requests from the Nuevo Laredo and Reynosa Customs General Offices asking the Monterrey Traffic Office to not grant vehicle registration documents to cars that have not proved their legal origin and import duties being paid. Twelve years later, Customs Office still insisted to the Traffic Chiefs that they should examine and avoid registering cars without proper importation permits, to the extent that, on November 8, 1948, the Nuevo Laredo, Tamaulipas Customs General Office assigned a special and confidential mission to Mr. Roberto Encinas: Perform a thorough revision of the existing documentation in the Monterrey Traffic Offices to verify that all vehicles therein registered have the documentation to prove their legal import into the country.<sup>25</sup> Such investigation responded to the growing suspicion that cars had increasingly entered the country illegally, and local authorities (either municipal or state) registered and issued plates without verifying the vehicle importation requirements.

Another key link in the vehicle smuggling chain were Customs agents. Although avoiding the illegal merchandise entry was precisely one of their goals, Customs agents from cities like Nuevo Laredo, Reynosa and Matamoros, in practice, used to be part of the illicit business. Issuing fake Customs importation cards to vehicles was the main form of corruption form that they took part in. That is, corrupt Customs officers controlled the business of issuing a registration card to the car. With this card, smugglers could later register the vehicles throughout the country and sell them with no problem.

Customs agents' involvement in smuggling was usually evident in cases where authorities managed to stop vehicles identified as illegal and whose drivers, when detained, showed fake Customs cards and permits. FBI and Mexican authorities' investigations during the 50s located several Customs agents behind the card forging business.<sup>26</sup>

Cases of Customs agents' enrichment and corruption accusations were constant news in Mexican newspapers during the 40s and 50s. The Secretary of Treasure tried to purge Customs Offices by changing staff occasionally, but Customs agents and smuggling gangs promptly returned to work hand in hand.<sup>27</sup>

Since the mid-20s, the presence of 'false tourists' in Mexico was already noticed. Numerous aliens easily obtained Tourist permits or even Mexican citizenship certificates to engage in criminal activities.<sup>28</sup> However, with the Pan-American Highway launch and the peak of vehicle smuggling, 'false tourists' abounded. If, in 1930, this was an unfamiliar strategy to Mexican authorities, by 1941 it became a widely-known issue. By that time, it is estimated that more than thirty percent of American tourist vehicles remained illegally in Mexico.<sup>29</sup> If accurate, this number suggests that a high number of American citizens saw in cross-border smuggling an opportunity for easy profit. Therefore, although most of these car thefts occurred in the border nearby cities (mainly in Texas and California populations), robberies also occurred in cities far from the Mexico border, like Detroit, Kansas City, Salt Lake City, Denver or New York.

To prevent being identified by Customs authorities of either country, document counterfeit also started in the US. The crime of counterfeiting ownership invoices was a crucial part in smuggling. Vehicle ownership invoices were counterfeited on both sides of the border. A fake invoice was initially issued in the United States to provide new identity to the stolen vehicle and prevent being located by authorities of that country. Laurel Worman and Miguel M. Cortés were, for instance, convicted for coordinating—from Toledo, Ohio—a gang at their service. Prosecuted in the United States for forging invoices and not paying export duties, their strategy consisted of paying several women to drive cars into Mexico, posing as tourists.<sup>30</sup>

<sup>24</sup> I've talked about this battle for resources between different government spheres (municipal, state and federal) in another article: Barrera-Enderle, A. 2018. Customs, local powers and car smuggling. A challenge to the nation-state from the northeast border, 1920–1960. *Humanitas*. Vol IV (History Section, No. 45).

<sup>25</sup> AGENL, Fund: Federal Agency, Serial: Customs, vol. 5, Exp. No number, Nuevo Laredo, Tamaulipas, November 8, 1948.

<sup>26</sup> "Common to Falsify customs cards for cars", *El Norte*, Monterrey, N.L., March 23, 1941.

<sup>27</sup> I've studied, in another article in greater depth, the participation of customs agents in the business of car smuggling: Barrera-Enderle, A. 2018. Customs, local powers and car smuggling. The challenge to the nation-state from the northeast border, 1920–1960. *Humanitas*, vol. IV (History Section, Num. 45).

<sup>28</sup> AGENL, Fund: Federal Agency, Serial: Corresponding Ministry of the Interior, Vol. 35, Exp. 50, México, D.F., May 29, 1925.

<sup>29</sup> "Cars smuggled by tourists", *El Porvenir*, Monterrey, N.L., March 23 1941.

<sup>30</sup> "American gang entering new cars to Mexico without paying duties was discovered", *El Porvenir*, Monterrey, N.L., December 13, 1942.

Forgery of ownership invoices in the United States was an important step in the stolen vehicle smuggling operation, but Customs clearance was also required in Mexico. They were in charge of reviewing and collecting import duties on every vehicle entering into the country for sale. However, part of the smuggling profits was precisely in avoiding this process. Thus, forgery of Customs cards certifying the payment of applicable import duties multiplied during the years covered by this study. Although we will never know for certain, evidence suggests that fake customs cards were usually prepared by corrupt people of same Customs Office or even by the staff of the Secretary of Finance, to which Customs Offices belonged. In 1952, a case involving two Secretary of Finance workers was discovered. The detained, Salvador Carrasco, leader of a gang that smuggled vehicles from the United States, confessed to have two accomplices in the Treasury Accounting Office: Alberto Espinosa and Fernando Medina, who provided him with blank ballots to legalize cars. With these fake cards, they were able to issue documentation to more than a thousand smuggled vehicles between 1949 and 1951.<sup>31</sup> Carrasco's declaration evidences that fake cards largely multiplied throughout the country, that many individuals and car lots acquired (unaware, most of the time) smuggled cars with fake documentation. Likewise, Carrasco declared that, with such cards, he not only legalized cars smuggled by his gang but also served to legalize cars sold cheaper by American tourists inside Mexico.<sup>32</sup> The latter confirms that fake tourists entering the country to sell a car was a very common practice.

Due to hundreds of cases like this, many honorable citizens were affected when the police seized their cars, and were staggered as they learned that the vehicle they were driving had been stolen in the US. For instance, between July and September 1953, 47 vehicles with fake documentation were seized in Monterrey. The majority of those cars were not recent models, mostly models between 1940 and 1946. The *El Norte* newspaper stated that the federal agents' actions were focused on seizing cars, harming working-class people who, unknowingly, and with much effort, had purchased those cars in recent years. Seemingly, these vehicles had legal documentation. Hardly any ordinary individual would have been able to detect such fake documentation. With the federal agents' actions, unwary buyers had now discovered that their vehicles had been stolen in the United States and had entered the country illegally. As a result, they had to pay a heavy fine and applicable import duties. *El Norte* criticized the federal agents' actions, stating they were solely focused on locating and seizing stolen cars, but not on dismantling the mafias that control such illegitimate trade, particularly 'the dirty ploys from Nuevo Laredo Customs officers, who until recently, were members of the car theft family that hit the border.'<sup>33</sup>

## Final thoughts

After exposing multiple lines of evidence suggesting that vehicle smuggling was a constant activity during the period covered in this chapter, we can conclude that neither the 1936 Binational Convention nor the diverse actions from American and Mexican authorities managed to stop the flow of stolen vehicles in the United States and smuggled into Mexico. Highways connecting both countries facilitated the easy crossing of the border between both nations for a considerable number of vehicles (many of them resulted from robberies or fraud).

As earlier mentioned, vehicle smuggling in Mexico affected, on one hand, the Mexican government, which was no longer receiving import duties. On the other, assembly plants and legal auto agencies were also affected by being unable to compete with the price of illegal cars. Therefore, by the end of the 50s, the Ministry of Finance and the National Association of Automobile Dealers designed a new initiative to deal with the proliferation of illegal vehicles: the creation of the Federal Vehicle Registration. Through this registry they aimed to stop, control and regulate the fiscal situation of the more than one hundred thousand cars entered illegally to the country. The responsibility of every car owner to register it in the aforementioned Federal Vehicle Registration would enter into force on January 1, 1959.<sup>34</sup> The current chapter is not aimed to discuss the outcomes of the Federal Vehicle Registration. As stated, it was not fully successful since it involved extensive bureaucratic paperwork; furthermore, the obligation of paying for the procedure deterred drivers from registering their vehicles.

The Binational Convention drafted in 1936 had not been the solution either. Although in force for more than forty years, due to the enormous bureaucratic and diplomatic obstacles implied, it was put aside in

<sup>31</sup> "A young boy leading smugglers was detained", *El Norte*, Monterrey, N.L., July 18, 1952; "More procedures are being carried out on smuggling", *El Porvenir*, Monterrey, N.L., July 26, 1952.

<sup>32</sup> "1 of 3 cars crossed illegally", *El Porvenir*, Monterrey, N.L., July 26, 1952.

<sup>33</sup> "Federal agents detain numerous stolen cars; but very old models", *El Norte*, Monterrey, N.L., September 11, 1943.

<sup>34</sup> "There's hope to stop car smuggling", *El Porvenir*, Monterrey, N.L., February 8, 1959.

practice. But mainly, because of its centralist essence it was removed from the dynamic border action. Cross-border collaboration from smugglers who operated in these decades was frequently more effective than the one performed by both nations' government. Smugglers took advantage of the cross-border infrastructure improvements, learned about the border vulnerability, and exploited the institutional weakness of Mexican authorities. Besides, they soon understood that the vehicle was an increasingly demanded commodity in Mexico, particularly at the north of the country, a region that had developed a 'market dependence' on US consumer products that could only be obtained by crossing the border.<sup>35</sup>

Car culture consolidation during the 20s and 30s in the largest urban zones of the nation (mainly the north and Mexico City), the high price of vehicles assembled in Mexican territory and of legally imported vehicles, and the land connections facilitated by new international highways made Mexico an attractive market for vehicle smuggling. These conditions favored the increase of stolen cars in the United States. The tradition of stealing cars in the US, I clarify, was not started to satisfy the Mexican market. Motor vehicle thefts began in the first decade of the 20<sup>th</sup> century within the American nation itself. However, over time, supplying the Mexican market became very attractive for car thieves, because it was easier to grant a new identity to the stolen vehicle in another country, than having to evade the authorities on their own country. Authorities that, by the way, had already more experience with, and had established institutions to, specifically prosecute this crime.<sup>36</sup>

Smuggling of stolen vehicles had its peak in the same decades when the post-revolutionary government consolidated its model of 'nation.' Customs and local and regional powers benefitted from car smuggling. The former by receiving bribes and even participating in smuggling; the latter by registering and validating cars originally illegal, and obtaining more resources (unlike the national government). Although the federal government in theory condemned and prosecuted these illegal practices, simultaneously, it tolerated their exploitation by those local participants. Negotiations between the national and regional powers were crucial for the post-revolutionary government consolidation; part of such negotiation implied allowing those local and regional participants to retain certain benefits and power reserves (as long as they didn't put the national government at risk) in exchange for loyalty to the new regime. The various smuggling forms that thrived in these decades and the multiple corruption acts seem to be linked to these unwritten agreements between the different spheres of government. Unfortunately, this issue is still in the making within the Mexican historiography, and much remains to be researched in this regard.

## Competing Interests

The author has no competing interests to declare.

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<sup>35</sup> Term coined by Alexis McCrossen (2009: 34), who considers that by 1940 this dependence was fully consolidated.

<sup>36</sup> Read John A. Heitmann & Rebecca H. Morales (2014) to learn about car smuggling history in US.

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