

Dateline Mexico by Carlos Cota Meza

Financial coup in the works?

Mexico's "ex"-bankers are conspiring with central banker Mancera and others to buy up the 1988 presidency.

The bubble that has formed in the Mexican stock exchange will explode from exaggerated speculation," according to a study released in mid-May by a group of international consultants, headed by economist Julio Millán. "The reasons behind the stock market boom," the report goes on, "range from promotion of half-price quotations . . . which encourage the mass purchase of stocks, to . . . the speculative circulation of repatriated dollars which have not found a place in direct investment in industry."

The possibility that the Mexican stock exchange is about to blow is, in fact, the result of measures dictated by the director of the Bank of Mexico, Miguel Mancera Aguayo, in complicity with the mafia of ex-bankers, and with Finance Minister Gustavo Petricioli.

The measures include eliminating exchange controls; authorization for dollar bank accounts on the northern border; permission to create interest-yielding checking accounts—in dollars—for exporters; and internal credit restrictions, supposedly to force businessmen to repatriate "profits deposited abroad."

On top of an artificial lowering of the yields offered by state paper, the repatriated dollars are not going to state banks, but to the private stock exchange. The index of prices and quotations on the stock exchange is now moving dangerously between 120,000 and 124,000 points, when just a year ago it was at 15,000 points.

The speculative game began when

the government first entered its financial paper on the stock exchange, to finance its budget deficit. The central bank paper was handed over primarily to a handful of exchange houses, where they earned juicy re-discounted interest rates, which were then multiplied in stock exchange transactions.

Who controls the private stock exchanges of Mexico? *Operadora de Bolsa*, the largest, is owned by Eduardo Legorreta Chauvet and Claudio X. González, the latter the current president of the Businessmen's Coordinating Council (CCE), also president of Kimberly-Clark of Mexico, the largest paper company in the country. Legorreta is director of the Saltillo industrial group, including Eaton Manufacturers, Nacional de Cobre, Sanborn Brothers, H-24 Industries, Synkro Industries, and others.

Inverlat, the second-largest exchange in the country, belongs to Agustín Legorreta Chauvet, brother of Eduardo, and the former owner of the National Bank of Mexico. *Inverlat* was founded by Manuel Somoza, the current president of the Mexican Stock Exchange and a former employee of Gustavo Petricioli at Nafinsa (Nacional Financiera). After being named finance minister, Petricioli "lent" *Inverlat* to Legorreta, according to Somoza.

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the *Fondo Progres*a, and a major stockholder in *Editorial Diana*, *Fundidora de Aceros Tepeyac*, *Grupo Sidedek*, *Industrial Eléctrica*, and others. *Interval* is owned by Carlos Hank González, and managed by his son Carlos Hank Rohn. They control the chain of lumber yards *Campos Hermanos*, and *Purina*, which monopolizes the grain and feed market.

Casa de Bolsa Comercial is owned by Eloy S. Vallina, former owner of the *Comermex* multibank and a leading narco-financier of the National Action (PAN) party. Famous for the phrase, "They took away the bank, I will take away Chihuahua" (one of the northern states), Vallina heads the "Chihuahua Group" which includes the president of the Inter-American Development Bank (IDB) Antonio Ortiz Mena, and Aníbal de Iturbide, cousin of Finance Minister Petricioli.

Casa de Bolsa Cremita, owned by Alberto Bailleres, who also controls *Penoles Industries*, the consortium involved in mining and sale of precious metals.

Agustín Legorreta said recently, "If banking returns again to the private sector, the financial recovery of the country could be accelerated . . . [the banks'] lack of professionalism and seriousness is palpable. . . . The path currently being taken in regard to the economy is the correct one." Legorreta will take over the presidency of the CCE next June, which will make him a key negotiator for the business class in the choice of the PRI's presidential candidate.

If Mancera and Legorreta impose their economic policy and win, through the "confidence" created by these measures, the repatriation of \$10-12 billion during 1987, the "ex"-bankers will end up with a fund equivalent to Mexico's total foreign reserves. Their first "investment" will be the purchase of the Mexican presidency.

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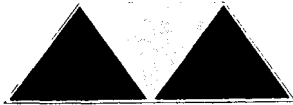
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