

## Dateline Mexico by Carlos Cota Meza

### Bank of Mexico privatized

*Salinas's draft legislation will take all credit-generating authority out of the hands of the government.*

**T**he reform of Article 28 of the Constitution announced by President Carlos Salinas de Gortari, which will give Mexico's central bank, the Bank of Mexico, autonomy with respect to the federal government, will "constitutionally" create a dictatorship of speculators against the national economy.

According to reliable reports that appeared in the media, the new text of Article 28 was drafted by Miguel Mancera and Francisco Borja, respectively director and assistant director of the Bank of Mexico; and by Pedro Aspe Armella and Francisco Gil, respectively secretary and undersecretary of the treasury. Thus, four men, together with Salinas de Gortari, are on the verge of creating a private financial entity that will operate not only with absolute independence from the federal government, but also with extraterritorial authority within Mexico's borders.

In his presentation of the motives for the legal initiative, Salinas de Gortari maintained: "In Article 28 itself, it would be established that the central bank . . . will regulate credit, exchanges, and grant financial services." The legal initiative "establishes that the bank will rely upon the powers of authority that are required for the exercise of its functions."

President Salinas added that, today, monetary policy "is fundamentally executed with respect to market operations," but what is necessary is the "expediting of norms" with which the bank will be able to "verify" practices and sanction the "non-fulfill-

ment" of such operations.

The banker "notables" who will govern the new mega-bank will be named by the President of the Republic, and approved by the Senate. These high priests will rule through the invisible hand of Adam Smith, and they cannot be removed from office except for the commission of grievous acts.

But who will rule over the high priests of supply and demand?

The intention is clear enough. It is to privatize the central bank, which will then have no responsibility with respect to the nation.

The model will be Hong Kong's financial system, created and ruled by the British Empire. In Hong Kong, there is no central bank, but a consortium of mega-banks whose directors form a junta of banker-financier governors. Such banks, like Hongkong and Shanghai Bank, are "specialists" in laundering money from every type of illegal activity, whether trafficking in drugs, arms and jewels, proceeds from assaults, payments for kidnappings and ransoms, or flight capital, that comes to the Crown Colony from all over the world.

This "offshore" banking model had its beginnings from the first Opium War of the British against China, when Great Britain was left with the 72-square kilometer island; Britain turned it into a city-state (Nanking Treaty, 1842) under a British viceroy, with no judicial system—only a token police force and a bureau of private detectives. There is, obviously, no na-

tional currency, and it is the viceroy who approves the governing junta of banks.

Salinas de Gortari has also proposed to modify section 10 of Article 73 of the Constitution, to "substitute the expression banking and credit services," with "financial services." He will also abolish "all mention in the cited section 10, of establishing the bank as sole issuer of money."

Salinas wishes to appear ingenuous. He is not trying to make expressions disappear, but concepts and systems of credit, which, before he came to power as treasury secretary in 1982 through the cabinet of Miguel de la Madrid, addressed the needs of national production, albeit more to the bad than to the good.

As an autonomous bank, this new entity will operate above all other national institutions, including the federal government, and will enjoy the authority to enforce its dictates.

What will prevent it from opening up a "sinister window," a black-market window within the national banking system through which narco-dollars can be laundered with impunity, as has long been the case in Colombia? Will bankers become nothing more than private legal agents empowered to seize the assets of agricultural and industrial debtors whose arrears to either the commercial banks or to the government are the result of the *policies of the government itself*?

In his presentation of the Article 28 reform, Salinas de Gortari stated that he is trying to return to the 1925 legal criteria that created the Bank of Mexico, approved by President Plutarco Elías Calles; but above all, to return to the 1928 amendments to that law, which made explicit that "the Bank de México is not obligated to grant to the federal government more services than those established by the law itself."