

Dateline Mexico by Hugo López Ochoa

The narco-Bolivian model

The Mexico/Morgan Economic Solidarity Pact is the same that delivered Bolivia into the arms of Dope, Inc.

Since the unveiling last Dec. 15 of the brutal austerity shock plan known as the Economic Solidarity Pact (PASE), President Miguel de la Madrid has insisted that it bears no similarity to other economic programs, such as those of Brazil and Argentina, which have already fully demonstrated their failure. However, there is a persistent rumor that the precedent for the new Mexico program is actually Bolivia.

Financial columnist Luis E. Mercado, mouthpiece of Bank of Mexico director Miguel Mancera Aguayo, wrote in a recent column in the daily *El Universal*, that the same plan had already been imposed on Bolivia's labor movement "at the point of bayonets," but that in Mexico the political system was sufficiently strong to enforce it "peacefully." Hidden in Mercado's expression of confidence was a sneering reference to Mexico's labor movement, the Mexican Workers Confederation (CTM), which abandoned its umpteenth threat of a national strike on Dec. 15, and acquiesced in the Pact.

In private, some labor leaders are consoling themselves with the illusion that in Bolivia, the shock plan at least yielded results. However, what Mercado does not write is that the Bolivian measures of "economic opening" to foreign investment facilitated the takeover of that nation by the drug mafia. This was admitted by Bolivian Planning Minister Roberto Jordan Pando, during the first week of January, when he declared: "\$3.6 billion of the \$4.5 billion Gross National

Product comes from coca." A full 80% of the GNP!

EIR has proof positive that not only is the Mexican plan comparable to the Bolivian one, but is being put in place by the very architects of the Bolivian plan. It appears that the specialist on Bolivia's New Economic Policy (PNE), Allen Sangines Krauze, is also an adviser to the Bank of Mexico's Mancera, and to Budget and Planning Minister Pedro Aspe Armella, co-authors of the Mexican PASE.

In a seminar at the Autonomous Technological Institute of Mexico, Sangines claimed authorship of both plans. Sanignes distributed, to various specialized publications, a document produced by the Bolivian economic ministry on the PNE, in which the similarities between the PNE and Mexico's PASE are glaringly evident. In both cases one can find the monetarist's emphasis on "structural change." According to the PNE, such structural change "is based on reducing the meddling of the state in economic activity," a line which the Mexican government has followed to the letter.

The PNE proposes the "liberalization of foreign trade . . . [with] a uniform customs tariff," a policy with which Mexico has already complied by joining GATT. But the real key is the "determination of a flexible exchange rate, to permit the unrestrained sale and purchase of foreign currencies in any kind of economic transaction and for every individual and corporation." In other words, legalized laundering of dirty money from the

drug trade.

Together with the "elimination of price controls and subsidies granted to internally produced goods," the PNE also demands that public sector service rates be brought to "competitive international levels" (Mexico raised them 80-85% at the beginning of this year), and the "free determination of interest rates," which in effect makes it unproductive to produce anything other than narcotics. Mexican interest rates are already above 150% a year.

This Bolivian package has already put Mexico on the path to the drug mafia's takeover of the economy.

It is no accident that the Mexican PASE was agreed upon with the Morgan banking house, in exchange for the "zero bonds" deal, according to which Mexico will buy up part of its foreign debt at half its value. In addition to its fame as the architect of the conditionalities on Germany's World War I reparations payments, and as one of Hitler's financiers, the House of Morgan created the Meyer Lansky/Arnold Rothstein mafia, which spread an empire of alcohol, gambling casinos, and drugs in the United States—in large part, through illegal trafficking from Mexico.

Perhaps this is the answer to a question recently posed by columnist José Luis Mejías, in his Jan. 20 column in the daily *Excelsior*. Mejías had asked, "Why was the agent chosen the Morgan Bank, whose fame in stratagems, deceits, scheming and artifice is proverbial since the last century?" Mejías recalls that "of the founder of the House, the famous J.P., it is said that once one of his partners, Judge Gary, dared to tell him that something he had proposed was illegal, to which the financier snorted: 'Look, I don't need a lawyer to tell me what I can't legally do. I pay you to tell me how to legally do what I want.'"