

Dateline Mexico by Carlos Cota Meza

George Soros descends on Mexico

Citizens are rebelling against the international speculators and their corrupt allies in government.

On July 15, the London *Financial Times* reported that two companies, Reichmann International and Soros Realty, owned, respectively, by Paul Reichmann and George Soros, are planning to develop an array of new real estate projects in Mexico City, similar to the Santa Fe project, which is considered the largest commercial mall in Ibero-America. The Santa Fe mall, currently under construction at a cost of over \$2 billion, is being raised where a garbage dump and one of Mexico City's largest shantytowns once stood.

According to the *Financial Times*, Soros and Reichmann have agreed in principle to purchase 120,000 square meters of the Santa Fe mall to build a complex of homes, office buildings, and stores. They are also negotiating the purchase of \$500 million worth of projects in the Alameda Central, an historic area of the city which has remained uninhabited since the 1985 earthquakes. They also plan to build what could prove to be the tallest building in Ibero-America, on the city's main thoroughfare, the Reforma, with an investment of over \$300 million.

According to Juan Enríquez Cabot, the city official in charge of the Santa Fe project, Soros's "investment is a vote of confidence in Mexico and in its economic future," reports the London financial daily. Juan Enríquez Cabot is the son of Antonio Enríquez Savignac, tourism minister under the previous Miguel de la Madrid government, and of Mrs. Cabot Lodge, heir to the Cabot fortune which founded

the Bank of Boston in the United States.

Antonio Enríquez Savignac is president of the group Mexico 2000, which designed one of the world's costliest real estate investment projects, involving the urbanization of wooded hills to the west of Mexico City. The Mexico-Toluca superhighway runs through those same wooded hills, and is, not accidentally, the place where the Santa Fe project is located.

In late June, just 48 hours before the closing of the regular sessions of the Mexican Congress, the House of Deputies approved as law a presidential bill submitted by Carlos Salinas de Gortari. The law completely deregulated the Mexican real estate market, and reformed the Civil Code, the Procedural Rules Code, and the Federal Consumer Protection Law.

Analysts say that the new law which Salinas proposed "opens the way for the major real estate investors." In other words, it represents an explicit act of presidential corruption to benefit the international speculator George Soros and his partner Paul Reichmann.

These reforms also paved the way for what is known as the New Rental Law, which in one fell swoop has stripped away all manner of protection from Mexico's renters. Now, under the slightest pretext, renters can be expelled from their homes and onto the streets, without the protection of law. The original pretext of the new law was to "liberalize" rent collection.

The new law is riddled with so

many irregularities that it was only approved without their even knowing it by the majority of the ruling party (PRI) deputies, while representatives of all the other parties in Congress abstained from the vote. It is estimated that the new law will affect some 700,000 families currently living in rental dwellings, encompassing a total population of some 3 million Mexico City inhabitants.

On July 28, several different organizations pulled together a gigantic rally in the Federal District to protest the New Rental Law. Coming from every corner of the city, some 30,000 demonstrators (twice the number that came out the previous Sunday to celebrate the national soccer team's victory over the U.S. team) marched on the presidential residence at Los Piños.

The marchers were met by an impressive security deployment that beat demonstrators but was nonetheless unable to contain their advance. Only an offer by President Salinas to meet with delegates from the marchers and hear their demands was able to calm the multitude, among whom were many furious housewives.

In the tense calm that reigned in the city in the aftermath of the demonstration, Mexico City Mayor Manuel Camacho Solís as well as the ruling PRI party itself have offered to revise and modify the New Rental Law during the upcoming extraordinary session of Congress.

In any case, President Salinas's move to impose a decree benefitting international speculators like Soros and Reichmann has opened up a Pandora's box. In view of the fast-approaching 1994 presidential elections, both the current government as well as the panoply of pre-candidates from the ruling party are going to have to respond to an outraged population which no longer believes in Salinas de Gortari's "economic miracle."