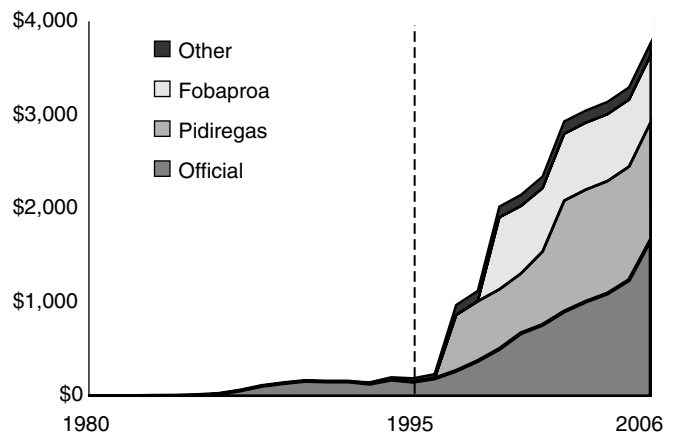

Dennis Small

Bush Lies, LaRouche Tells the Truth

On March 12, EIR's Ibero-American editor Dennis Small delivered the keynote address to the National Forum on Food Sovereignty, Competitiveness, and Rural Financing, organized in Mexico City by one of Mexico's largest associations of rural producers, the Cardenista Peasant Organization (Central Campesina Cardenista, or CCC). In the course of his address to the more than 400 delegates from 26 of the

FIGURE 1
Mexico: Real Public Domestic Debt
(billions of pesos)



Source: Banco de México.

country's 33 states and federal entities, on the theme "The Crisis of the International Financial System and Its Effect on Mexico: Three Lies and Three Truths," Small tore into the ethanol fraud and its disastrous impact on Mexican agriculture. He also used the Mexico case to demonstrate how, after the mid 1990s, earlier forms of foreign debt looting policed by the International Monetary Fund, which had prevailed worldwide, were replaced by globalization's creation of a supranational slime-mold of speculative financial instruments.

What follows are two excerpts from Small's remarks.

The third truth stated by LaRouche [in his March 7 webcast] against Bush's lies, was that ethanol is *not* the future of energy. It is a big hoax and a scientific fraud. The argument about global warming is a scientific fraud. The supposed evidence regarding carbon dioxide is a scientific lie—it is not true that carbon dioxide is increasing. The solution to the energy problem, LaRouche said, is to move *forwards* in technology, not *backwards*.

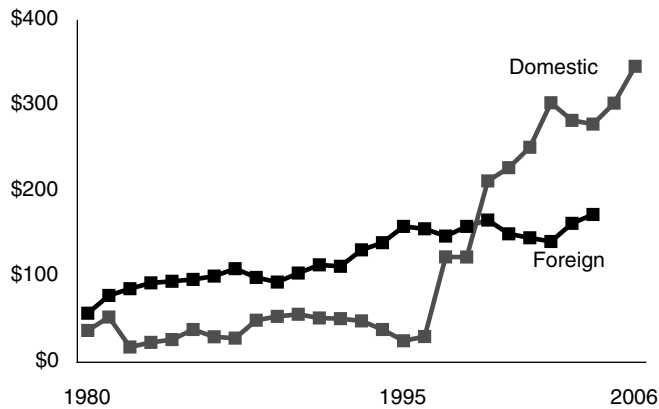
The future of energy is nuclear energy—fission, and thermonuclear fusion—and furthermore, you need nuclear energy to produce large quantities of fresh water through desalination. Because water, more than anything else, is what is needed for the development of agriculture, especially in a country like Mexico. Because, as you all know better than I, Mexico has lots of water in the South, too much water in the South, but there's no water in the North of the country. And without water, there is no life. . . .

In the case of Mexico, the official foreign debt, more or less, is stabilized from 1995 on. It's not that the problem was solved; quite the contrary. The problem actually got worse,

FIGURE 2

Mexico: Public Debt, Domestic and Foreign

(billions of dollars)

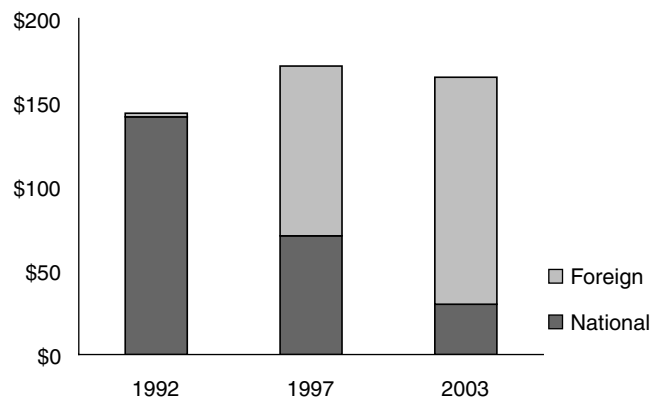


Source: Banco de México.

FIGURE 3

Mexico: Control of Bank Assets

(assets, in billions of dollars)



Source: Banco de México, *EIR*.

but what happened is that they took the cancer, which was located in the *foreign* debt, and they transferred it to the *domestic* debt.

In the first graph, you can see what happens from 1995 on with the domestic public debt of Mexico (these are official statistics from the Banco de Mexico). To calculate the real domestic public debt, it's not only the official debt, but you also have to include what they like to call "contingent debt." What in the world does "contingent" mean? It means that it is a part of the debt that they try to hide, by saying that it's not part of the official public debt, as such.

This contingent debt includes, for example, the "Pidiregas" debt [government IOU's issued to companies that build power plants, etc.—ed]; the government debt from the 1994-95 bank bailout, known as Fobaproa; and other forms of privatization, such as of the bankrupt toll roads. All of those frauds only benefited the financial interests. . . .

Bankers 'Nationalize' Foreign Debt Cancer

And as you can see, the real domestic public debt of Mexico grew from 190 billion pesos in 1995, to 3.8 trillion pesos in 2006. So they took the foreign debt cancer and they "nationalized" it: they made it a national cancer; they gave it a Mexican passport, that's all. But it's still a cancer. This can be seen in the second graph, which shows the foreign and domestic debts. You can see that a big change occurred around 1995: Mexico was sold a new bill of goods.

Along with this, there is a change in who controls the Mexican banking sector, from domestic banks (good and bad, alike) to foreign banks, as the next graph shows. In 1992, foreign banks controlled only 1.4% of total bank assets. By 1997, 59% was controlled by foreign banks. And in 2003, 82% of Mexico's banks were controlled by foreigners. Today

the percentage is surely even higher.

And who are these foreign banks, the owners of the cancer? What is the largest bank in Mexico? Bancomer. And who owns Bancomer? Spain's BBVA, which has links, as we have documented in print, to interests with international connections to the drug trade.

What is Mexico's second bank? Banamex. And who owns Banamex? Citibank, which had a little something to do with Raul Salinas's money, right? You remember?

Mexico's third bank—what is it? Santander Bank of Spain. The owner of Santander is Emilio Botín, the richest man in Spain. But who controls Santander? The Royal Bank of Scotland, the British monarchy's personal bank. That monarchy is not a bunch of mere figureheads: they have a lot of international political and financial power. And the interests associated with the Royal Bank of Scotland and the British monarchy some decades ago financed Adolf Hitler's rise to power in Germany, with a little help from a U.S. banker named Prescott Bush, the grandfather of the current resident of the White House.

Mexico's fourth bank, Banorte, is owned by a Mexican national, Roberto González Barrera. Who is he? He is the owner of Maseca, which has a monopoly of corn meal for making tortillas in Mexico. But that's not the most interesting thing about him. He is on the international board of an Italian re-insurance company called Assicurazioni Generali di Venezia, one of the oldest and most powerful financial groups in Europe.

And while the leaders of the Royal Bank of Scotland were putting Hitler in power in the 1930s, Assicurazioni was financing Mussolini's takeover in Italy.

These are the guys who control Mexico—including its corn and tortilla production.