

wrote that behind the whole uproar against the brokerage houses was "La Quina."

The circle was finally broken when various newspapers put out the word that the ex-Attorney General Sergio García Ramírez—under the Miguel de la Madrid administration—had left ready an extensive and detailed file on the speculators' fraud on the stock market.

Thirty-four days since Hernández Galicia was put in jail, the real purpose of the presidential actions against the oil union is so well known that the discredit of the regime threatens to reach into the more disciplined (i.e., terrorized) ranks of the PRI. On Feb. 11, two days before the actions against the speculators, an old and respected politician of the PRI, Rodolfo González Guevara, who heads the faction called "Critical Current," wrote an article "correcting" his initial backing for the measures against Hernández Galicia, and charged that in reality, a step had been taken toward a "plundering and authoritarian capitalism which could get very close to fascism."

Salinas targets small tax evaders

The discredit of the government was total. "It is clear that things could not go on much longer," acknowledged the monetarist columnist Luis E. Mercado on Feb. 14. The situation got worse because the government, in the midst of urgent negotiations on the foreign debt with the creditors, from its need to get concessions to recover some vestige of economic growth, started to rapidly lose the support of the majority of the businessmen who are unhappy about a new 2% tax on business profits. They are demanding that the speculators pay.

At this writing, aside from those mentioned at the start, it has not been made known whether Isidoro Rodríguez, Beteta's accomplice, will also be arrested; probably Salinas de Gortari wants to "control the damage" to those mentioned.

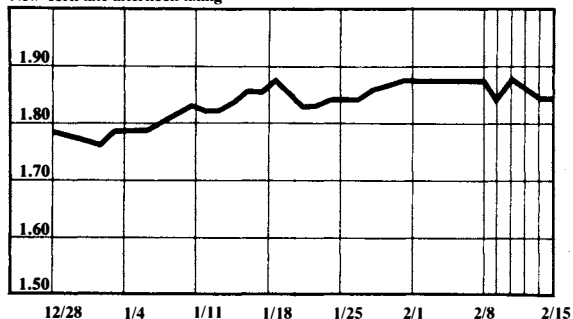
President Salinas is trying to use this "disciplinary" measure to reinforce his dictatorial policy of persecution of small tax evaders—"to fill the jails with tax evaders," as Pedro Aspe recently put it—and create "confidence" in order to attract capital into Mexico. On Feb. 14, Attorney General Alvarez del Castillo gave a press conference to "stress" that in the case of Legorreta et al., it is only a question of "individual conduct."

What is feared by the Salinas crowd is a nationalist escalation that could end up sending to jail Petricioli, along with the real architect of the economic strategy which paved the way for the stock market's *laissez-faire* degeneration: Banco de México Director Miguel Mancera Aguayo. Mancera has been in that post since 1982, to guarantee to the International Monetary Fund that Mexico would comply with the "structural reforms" the creditors wanted. Mancera was the real chief of Miguel de la Madrid's economic cabinet, as he is of the present one, which the nationalists have dubbed "The Iron Circle."

Currency Rates

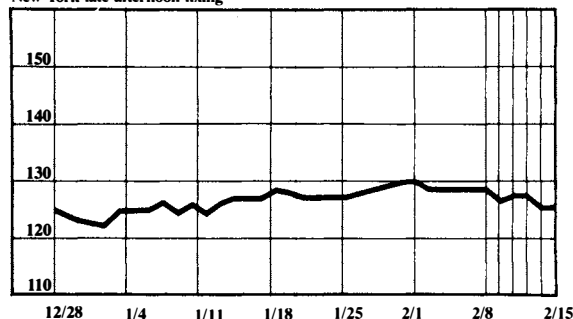
The dollar in deutschemarks

New York late afternoon fixing



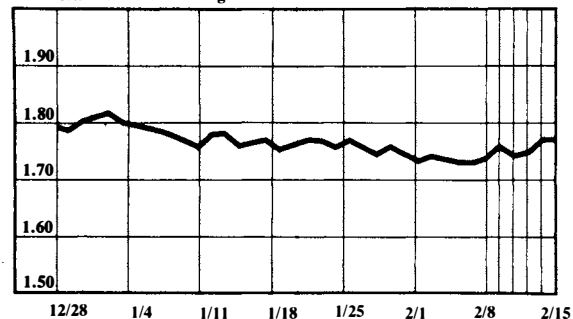
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

