

Free trade=drugs: looking close up at the 'Salinas model' in Mexico

by Valerie Rush

The City of London and Wall Street's "Salinas model" in Mexico has entered a phase of accelerated decay, as that so-called miracle of "free trade ethics" and "globalization" today stands exposed as a mechanism for looting and drug-money laundering, forged by the international financial centers which run Dope, Inc., and enforced by a cabal of political degenerates. The victimized citizens of Mexico are in a rage: effigies of former President Carlos Salinas de Gortari (1988-94) are being hung on street corners and at debtors' protests. The Mexican Senate has voted up a call for the former President's political trial, and congressmen and journalists are denouncing Salinas for treason.

There are also ongoing investigations into his personal finances in several countries, which may include drug-money laundering in cahoots with his brother Raúl, currently jailed in Mexico for the murder of a political opponent. And unconfirmed rumors have it that Carlos Salinas is hiding out in Cuba, along with Dope, Inc. financier Robert Vesco. Besides his Wall Street links, Salinas has long-standing ties to Fidel Castro and his minions across Ibero-America: for example, Salinas's official biographer is none other than Sandinista former Interior Minister Tomás Borge.

And yet, the London and Wall Street financial elites still stand behind their creation. Dow Jones, Inc., Salinas's current employer and publisher of the *Wall Street Journal*, issued a statement declaring that its board of directors is "100% comfortable behind Carlos Salinas," even as lurid details of his administration's corruption continue to flood into the public domain. Why are these elites going out on a limb for Salinas? Very simply, because Salinas—and most emphatically the corruption he represents—is *inseparable* from the free-trade economic model they are wedded to.

On Nov. 27, the *Wall Street Journal* warned current President Ernesto Zedillo that any serious pursuit of charges against the Salinas brothers could lead to a discrediting of the Salinas economic model, which Zedillo remains committed to. Similarly, M. Delal Baer, director of the Mexico Project at Henry Kissinger's Center for Strategic and International Studies in Washington, cautioned on Dec. 6 that Mexicans must be careful not to overreact. Said Baer, "The blackened Salinas reputation could end up giving privatization and economic opening a black eye. A Thermidorian backlash would make it harder for Mr. Zedillo to muster support for needed

change in areas like pension reform and petrochemical privatization. Recent polls even show support for NAFTA faltering." Mexico, she concludes, must "not throw out the baby with the bathwater."

The 'corruption' diversion

In order to protect the free-trade economic policies epitomized by the bankers' now-tarnished "golden boy," Salinas has been deployed to point the blame at that convenient bogey-man, "the Mexican political system." In a rambling eight-page fax sent to all major Mexican media, Salinas—whose whereabouts are still a matter of conjecture—accused other members of the Mexican political elite of muddying his reputation to boost their own power-hungry designs.

Salinas claimed that a bitter power struggle was going on between so-called "reformers" (represented by himself, of course), and ruling party "hardliners" out to "turn back the clock." They want to turn me into everyone's "favorite villain," whined the former President. In particular, Salinas targeted former President Luis Echeverría as one of the so-called "dinosaurs" of Mexican politics who would bring communism to Mexico. On cue, certain media mouthpieces for foreign interests chortled at the prospect of a political bloodbath that would supposedly bring Mexico "closer to democracy."

But such obvious attempts to divert Mexicans' outrage over Salinas's free trade devastations may not be so easy. For example, Mexicans learned over the first week of December that it was none other than the U.S. banking giant Citicorp which facilitated all of Raúl Salinas's dirty money transfers from Mexico, through the United States, into Switzerland, all under a false identity. It is reliably reported that Citicorp was fully aware that the alias belonged to the brother of the Mexican President. Further, it was Citicorp which provided Raúl Salinas's wife Paulina Castañon, today under arrest in Switzerland, with the power of attorney to withdraw \$84 million from her husband's Geneva account, also under a false identity. Finally, it should come as no surprise that it was none other than the Geneva branch of Citicorp which had profitably harbored Salinas's millions—until the Nov. 15 arrest of Paulina Castañon, that is.

Swiss Federal Prosecutor Carla del Ponte is currently in Mexico, together with the head of the Swiss federal anti-drug force, Valentin Roschacher, where they are meeting with

Mexican officials on the money-laundering investigation currently ongoing against Raúl Salinas and wife. Del Ponte arrived in Mexico via Atlanta, Georgia, where she met with officials of the U.S. Drug Enforcement Administration (DEA), who have been active in the Salinas investigation all along.

In a press conference on Dec. 6 in Mexico City, Del Ponte announced that Swiss authorities had discovered several bank accounts belonging to Raúl Salinas, and that they were being used to launder drug money. "A criminal investigation has been opened against two Mexican citizens for suspected laundering of money linked to drug trafficking," said Del Ponte, referring to the Nov. 15 arrest of Raúl Salinas's wife and brother-in-law. Raúl Salinas is already being investigated for forgery and illicit enrichment, in addition to the murder charges against him.

The Salinas Family

The Nov. 15 arrest by Swiss authorities of Paulina Castañón, wife of Raúl Salinas de Gortari, on suspicion of laundering drug money through the banking system of Switzerland, has lifted the cover on a sewer of corruption and evil, in the midst of which stand the Salinas brothers: former Mexican President Carlos Salinas de Gortari, the "favorite son" of the Bush-Thatcher duo, and elder brother Raúl.

The revelations confirm what *EIR* has been saying ever since the Zapatista insurrection broke out in Chiapas, Mexico on Jan. 1, 1994: that Mexico is the victim of a foreign invasion, run by London, which seeks its disintegration as a nation. The Salinas de Gortari family is only one, but a key piece of the invasion scenario which these foreign forces have been directing, from the moment Carlos Salinas took power in 1988 through blatantly fraudulent elections, to his o'er-hasty flight from Mexico shortly after Raúl's arrest for murder in March 1995.

Although former President Salinas would now like to deny it, the fact is that he and brother Raúl have been an inseparable team going back decades. There has simply been a division of labor between them: Carlos handled economic policy, public relations, and all-important international connections; older brother Raúl dealt with the dirtier side, including links to drugs, terrorism, and "hits" against political opponents.

The financial oligarchy that put the Salinas family into power continues to defend them to the hilt. As Heritage Foundation analyst Jack Sweeney declared in an Aug. 8 interview with the Mexican daily *El Financiero*, "There is a campaign to rehabilitate the image of former President Carlos Salinas, and heading that campaign are the editors of the *Wall Street Journal*, the Kissinger Group, the Inter-American Dialogue, the International Monetary Fund, the World Bank,

and various research and academic centers both on the left and right."

In the profile of Raúl which we publish below, we place under the microscope the four key elements which best characterize the Salinas "model": free trade, political assassinations, the drug trade, and terrorism.

Name: Raúl Salinas de Gortari

Date of birth: Aug. 4, 1946

Father's name: Raúl Salinas Lozano

Mother's name: Margarita de Gortari

Place of birth: Monterrey, Nuevo León, Mexico.

Family history: Father Raúl Salinas Lozano was commerce secretary in the 1958-64 government of Adolfo López Mateos, and part of the political group identified with former President Miguel Alemán (1946-52) and with Antonio Ortiz Mena, Mexico's finance secretary for 18 years (1952-70). Ortiz Mena, uncle to Raúl and Carlos Salinas, was also the director of the Inter-American Development Bank (IADB) (1970-89), and his history as a creature of the monetarist oligarchic school known as the Mont Pelerin Society is well documented in the book *The Salinases and Manceras Rein-carnate Porfirio Díaz*, edited by the Mexican Labor Party in 1987.

On the "De Gortari" side, the family has a leftist tradition, as exemplified by the Maoist Eli de Gortari, a university professor jailed in 1968 for his role in the student disturbances that year, in which both Carlos and Raúl participated.

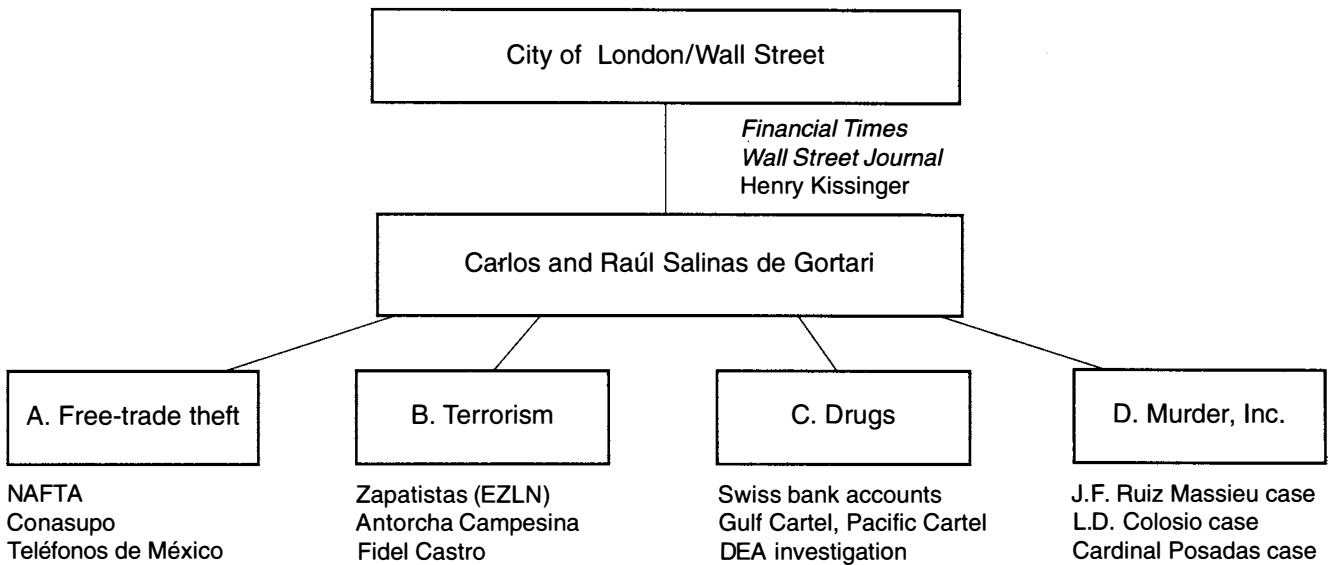
Criminal history: On Dec. 18, 1951, the brothers Raúl and Carlos Salinas had a tragic incident in their early childhood, which many experts view as having had a decisive influence on the formation of unstable personalities. As children, five-year-old Raúl and three-year-old Carlos participated in a macabre game with a neighbor, in which they shot and killed a servant. It has never been clear who fired the shot. The daily *La Prensa* reported that, on Dec. 18, 1951, "three children killed a servant in the Colonia Narvarte of Mexico City." The note says that "Carlos and Raúl Salinas," children of Raúl Salinas Lozano, together with their little friend Gustavo, "innocently fired a shot" with a 22-caliber rifle, murdering "12-year-old servant Manuela M."

Existentialist history: Raúl Salinas de Gortari has written three books: *Calculated Death*, in 1980; *The Lover*, in 1989; and *The Secret, A Day*, poems dedicated to his second wife. One of his favorite verses reads:

I need to write it
so all will hear it;
that the world is shit,
rage produces sorrow,
happiness is sadness,
faith is defeat,
Let everything change
so that I won't die.

FIGURE 1

The web of crime behind the Salinas brothers



A. Free trade: Free trade, or economic liberalism, has never been anything but the institutionalization of theft. What George Bush and Carlos Salinas called their North American Free Trade Agreement (NAFTA), was a mechanism for looting the Mexican physical economy, to pay a foreign debt artificially bloated hiked through usury. The following demonstrates how the Salinas brothers personally benefitted.

On Nov. 28, 1995, Norma Samaniego, head of the Mexican comptroller's office which is currently investigating Raúl for "illicit enrichment," revealed that his investments in goods and real estate, as well as deposits in five bank accounts (from among the 45 he has in various countries) during the last 16 months in which Raúl served as a public servant, add up to \$7 billion. Swiss authorities are talking about \$84 million in just one account in that country.

The amount of money detected, beyond that reported as legitimate income, went from \$220,000 in 1990, to nearly \$2.3 million in April 1992, which Raúl claims was a "credit" from an individual. But the comptroller says this money could eventually add up to \$1 billion, while other sources says his fortune could be at least \$3 billion.

At the same time, from 1983 to 1992, Raúl doubled his property holdings. In a statement of his holdings on Feb. 8, 1983, he listed 18 properties. By May 25, 1992, there were 39. Among these is the Las Mendocinas estate, 176 hectares in the state of Puebla, equipped with stables, bridal trails, other sports facilities, and two lakes. On March 1, 1995, the daily *El Nacional* reported that Raúl acquired Carmen Island, in Loreto, Baja California Sur.

One of Raúl's sources for "illicit enrichment," was his use of the opening to foreign investment under NAFTA, to collect innumerable commissions from investors and compa-

nies that established themselves in Mexico.

There is the case of one of the most talked-about financial scandals (1992-93), in which IBM agent Kaveh Moussavi, of Iranian origin, sued the "Mexican government" for having demanded a \$1 million bribe in order for IBM to win a contract to supply sophisticated air traffic control equipment. The three individuals who had visited Moussavi said that the money was for the National Solidarity Program (Pronasol), largely controlled by Raúl. In 1994, then Attorney General Jorge Carpizo tried to silence Moussavi's revelations. Moussavi denounced Carpizo and reported having been on the scene when Mitsubishi Corp. hired "the services of Mr. Raúl Salinas de Gortari" for 10% of a multimillion-dollar refinery project in Salina Cruz, Oaxaca.

Another source of enrichment was buying into the companies themselves. For example, on March 16, 1995, a wire report from Ansa news service revealed that former President Carlos Salinas and his brother Raúl were stockholders in the Mexican company Pycsa, S.A., which obtained the right to build \$2 million highway projects in Panama, according to Panama's former public works minister Alfred Arias.

Another major source of illicit income for Raúl that is currently under congressional investigation, was his profiteering from the National Company for Popular Subsistence (Conasupo), a chain of State supermarkets which also oversaw the import and export of corn and other basic products. Substantial quantities of money could be skimmed from the transactions conducted under the rubric of "free trade." From 1985 to 1988, as general director of Conasupo, Raúl skimmed a fortune.

Among the cases frequently mentioned by press sources was the import of beans and rice, at prices ridiculously high

compared to domestic prices. In just one case, of a shipment of beans aboard the *Pantanasa* imported from China, Raúl collected some 100,000 billion pesos, or \$33 million. In a similar operation, the government was forced to suspend a shipment of milk, imported through Liconsa, a Conasupo affiliate, contaminated by the Chernobyl nuclear accident.

Raúl also carried out major deals with Maseca, the company which produces 70% of the corn flour in the country, and which recently formed an association with the U.S. grain cartel company Archer Daniels Midland. Various press sources reported that, on Raúl's orders, 40% of Maseca's sales were made through the 20,000 rural stores run by Liconsa, under Conasupo's aegis. Conasupo has 300 warehouses and 20,000 rural stores, and conducts sales on the order of some \$500 million a year.

The "Salinas model" tried to disguise its looting schemes under "social liberalism," reducing the suffering of the poor through the National Solidarity Program (Pronasol). From 1990 to 1992, Raúl Salinas was the "technical evaluation secretary" for Pronasol. The Salinas brothers used Pronasol not only to enrich themselves, but to finance violent political projects, such as those which led to the Zapatista insurgency in Chiapas. For example, "the leaders of the most important rural organization in Chiapas, the Kiptik Ta Lekubtesel Union of Collective Farm Unions," received substantial funding from Pronasol, according to Rafael Aceituno of the magazine *Siempre*. "This collective farm union was an important source for recruiting militants to the EZLN," reveals journalist Aceituno.

Speaking before the Mexican Chamber of Deputies on April 5, 1995, eight PRI congressmen from Chiapas, headed by Walter León and Ali Cancino, charged that "former President Carlos Salinas de Gortari, his brother Raúl, and current Sen. Hugo Andrés Araujo were the ones who initiated and financed the armed movement in Chiapas, through funds channeled via Pronasol." León added that one of the funding channels was Araujo's National Union of Autonomous Regional Peasant Organizations (Unorca).

B. Terrorism: The Salinas brothers used terrorism effectively as a form of "low-intensity warfare" to eliminate enemies of both their policies, and their personal ambitions. In January 1994, *EIR* issued a *Special Report*, " 'Shining Path North' Explodes in Chiapas," which charged:

- The guerrillas who made up the EZLN began their organizing process in Chiapas in 1974, through the so-called Torreón Group, a collection of leftist Maoists founded in the late 1970s and early '80s by, among others, Raúl Salinas and the Marxist Hugo Andrés Araujo.

- During the 1970s, Raúl Salinas worked closely with Araujo, who also founded the group Proletarian Line, together with Marxist Adolfo Orive Alva. During Carlos Salinas's administration, Araujo was head of the PRI's National Peasant Federation, and a senator.

- Adolfo Orive Alva was educated at the Sorbonne in

Paris, under the Marxist-Maoist Louis Althusser, who granted him the express task of creating an "Althusserian" movement in Mexico. When Orive Alva became the director of Pronasol, Raúl Salinas was his technical secretary.

- Hugo Andrés Araujo supervised the radical Maoist group Peasant Torch, which, despite its Marxist-Leninist origin, was accepted inside the PRI party in 1985. As *El Financiero* reported in February 1990, "after the designation of Raúl Salinas de Gortari, the brother of the President, as technical secretary of Pronasol . . . the members of Peasant Torch have undertaken more daring actions."

- In October 1990, an article in the magazine *Contenido* pointed to Raúl as one of the government officials who supported Peasant Torch, among whose many crimes were the assassination of political enemies, land invasions, kidnappings, and mobilizing Jacobin mobs in the poor neighborhoods.

- Raúl gave extensive financial and political backing to Peasant Torch through Conasupo. Raúl's main instrument for operations like these was the current governor of Chiapas, Julio César Ruiz Ferro.

- There have also been repeated denunciations in the press of the role played by Raúl in both forming and backing the leftist Workers Party. Raúl personally introduced them to his brother in the Presidency, with whom important political deals were struck.

Carlos Ramírez wrote in *El Financiero* on Feb. 21, 1995 that Raúl's links to subversive movements extended to "Latin American guerrilla groups. . . . His friendship with the Guatemalan guerrilla 'Gaspar Ilan,' son of the novelist Miguel Angel Asturias, was well known. . . . During the past administration, that guerrilla leader was sleeping at Los Pinos," the Presidential residence, wrote Ramírez.

C. The drug trade: Raúl Salinas de Gortari is today under investigation by at least three governments for crimes related to drug money laundering: Switzerland, the United States, and Mexico. Swiss authorities have officially confirmed that they are investigating him and his wife, Paulina Castañón, in that regard, and the head of the Swiss anti-drug agency, Valentin Roschacher, traveled to Mexico on Dec. 3, stopping on the way in Atlanta, Georgia, for meetings with the U.S. Drug Enforcement Administration.

Should the charges be proven, there will obviously be political fall-out of strategic proportions, both in Mexico and abroad. Less obvious, but also important, is that, if Raúl Salinas's connections with the Gulf and Pacific drug cartels of Mexico, as charged by various news media and by U.S. anti-drug intelligence, are confirmed, this would puncture the myth of the supposed "war of the cartels" which has been falsely used to cover up, among other things, the assassination of Cardinal Juan Jesús Posadas Ocampo, Archbishop of Guadalajara, in May 1993.

- October 1991: Arrest of Juan Nepomuceno Guerra, founder of the so-called Matamoros Cartel. The Monterrey

press indicated that “supposed political protection for Juan N. Guerra was linked to construction of an industrial park in Villahermosa, Tabasco, in association with Raúl Salinas de Gortari.”

- March 5, 1993: The bulletin, *The Mexico Report*, edited in Washington, insists that Raúl Salinas is the beneficiary of profits from the smuggling of drug shipments by land, through Eagle Pass in the border desert state of Coahuila.

- June 5, 1995: According to AP, *Newsweek* magazine, and *Sol de México*, Raúl Salinas had close relations with the head of the Gulf Cartel, Juan García Abrego, during Carlos’s Presidency. One witness told *Newsweek* that Raúl and García Abrego were so close that they were seen embracing at a glamorous party that García Abrego threw in 1992 at his home near Monterrey. “When I saw them embrace, I knew then that Juan was untouchable,” said the witness.

- June 16, 1995: The *Los Angeles Times* maintains that the increase in drug trafficking in Mexico occurred in parallel with NAFTA, and that “Salinas’s free-trade policies . . . opened [Mexico] to foreign investment, including to the most powerful drug cartels in the world, especially from Cali.”

- July 4, 1995: The news agencies EFE and Notimex, as well as the daily *Reforma*, cite an article from the *Arizona Daily Star* which reports that an anonymous member of a drug-trafficking group out of Colorado, named Raúl Salinas as the Mexican connection for Colorado’s narcos, who intro-

duced tons of marijuana and cocaine into the United States in the late 1980s and early ’90s.

- July 30 and 31, 1995: The *New York Times* reported that former Bush administration officials had charged that they had been ordered by other senior Bush officials to hush up reports of drug activity under the Salinas team—such as how drug-traffickers were buying up Mexican State companies that were being privatized—in order to get NAFTA passed.

- Oct. 26, 1995: The column “*Frentes Politicos*” of the newspaper *Excelsior* cites information according to which Raúl was “an accomplice of the Arellano Félix brothers [the heads of the Pacific Cartel], because the existence of checks drawn on Conasupo’s account to one of the drug traffickers recently became known.”

- Nov. 28, 1995: Jorge Fernández Menéndez, one of Mexico’s best-informed analysts on politics and the drug trade, reports in *El Financiero* that “Raúl’s relations with the drug trade are close and very open: Humberto García Abrego made 3.4 billion pesos worth of grain and cotton sales to Conasupo, during the period Raúl Salinas controlled that State company.”

- Nov. 28, 1995: A U.S. State Department source indicated that his government assumed the existence of a close relationship between Raúl Salinas and the visible head of the Gulf Cartel, Juan García Abrego. “Mexicans would be sur-

EIR was right about Mexico’s Salinas

While Wall Street and London hailed former President Carlos Salinas de Gortari as “their man” in Mexico, whose free trade program would usher in a new age of prosperity, *EIR*, alone among the international press, consistently denounced the “Salinas model” as a fraud. Today, Salinas’s fate proves that we were right, while the others were dead wrong:

Nov. 29, 1991, *Executive Intelligence Review*

“Salinas’s Lies Fail to Hide Mexican Economic Disaster.” In a speech on Nov. 1, “Salinas served up three whoppers, lies so transparent that his own government’s figures easily refute them: to wit, that employment is increasing; that the balance of foreign trade is healthy; and that agriculture is improving.”

Aug. 7, 1992, *Forbes* magazine

Editor-in-Chief Malcolm S. Forbes, Jr. writes: “The Mexican government is performing a miracle rivaling those of Germany and Japan after World War II, and of Korea and other so-called Asian Tigers in recent years. . . . Congress should take a crash course in economics from Carlos Salinas.”

Nov. 9, 1994, *Journal of Commerce*

“Carlos Salinas, Mexico’s President, leaves office later this month with a record most other leaders would envy. . . . The turnaround in Mexico’s public finances offers a good lesson for most other countries.”

Nov. 30, 1995: The Mexican Senate approves a resolution calling for a political trial of Carlos Salinas, on corruption charges. Suspected of embezzling millions from his nation, and collaborating with drug-traffickers and assassins, Salinas is now believed to be in hiding in Cuba. His brother Raúl is in prison on charges of masterminding the murder of a political opponent, and on Nov. 15, Raúl’s wife and brother-in-law were arrested in Switzerland, attempting to withdraw an estimated \$84 million from bank accounts using forged documents.



prised to learn the amount of information we have received on this matter," said a source from the Congress' Select Intelligence Committee. The information, said the source, involves "people very close to the previous Presidency."

D. Murders: *EIR* has insisted all along that the three high-profile murders that shook Mexico during the last two years of the Salinas de Gortari administration—Cardinal Juan Jesús Posadas Ocampo, May 1993; PRI Presidential candidate Luis Donaldo Colosio, March 1994; PRI Secretary General José Francisco Ruiz Massieu, September 1994—were committed by forces controlled by British intelligence as part of its irregular warfare against the Mexican nation. Whether British financial interests used the Salinas brothers and their respective political allies and machinery to commit these crimes—as they have done in the areas of economic policy and terrorism—is still an open question, but there are many reasons to consider this a fruitful path of investigation.

In the case of Cardinal Posadas Ocampo, current Attorney General Antonio Lozano Gracia has stated that the case is now closed and that the official position taken by then Attorney General Jorge Carpizo—that it was a matter of the cardinal having been caught in a cross-fire by two warring groups of drug traffickers—still holds.

Just weeks before his murder, Cardinal Posadas Ocampo had made strong criticisms of NAFTA, Pronasol, and the malthusian policies of the United Nations and of the Salinas government. He was also a key obstacle, within the Catholic Church, to the hegemonic aspirations of the "Red Bishop" from San Cristóbal de las Casas, Chiapas, Zapatista protector Samuel Ruiz.

The case of Luis Donaldo Colosio grows increasingly more tangled, although Attorney General Lozano Gracia maintains that it was a "concerted action." A letter from Ernesto Zedillo, Colosio's campaign manager, to Colosio, published recently by the daily *Reforma*, indicates that within the highest levels of the group around Colosio, it was feared that Salinas de Gortari was considering ridding himself of Colosio, who had given indications that he was breaking from Salinas's control.

Regarding the murder of José Francisco Ruiz Massieu, Lozano Gracia considers the case officially resolved as far as intellectual authorship is concerned. It is for this crime that Raúl is today in jail.

Unequivocal evidence has been provided of the close friendship between Raúl Salinas and federal Congressman Manuel Muñoz Rocha, who disappeared shortly after the crime was committed and who has been named by his own accomplices as Raúl's front man in carrying out the crime. Although various of the accomplices, such as Fernando Rodríguez González, have declared that the order to assassinate Ruiz Massieu came because "he was an obstacle to the Salinista project," no official explanation for Raúl's motives have been offered, although most plausible is that, as a former Salinas brother-in-law, he simply "knew too much."

The Philippines

Is Manila heading 'down Mexico way'?

by Gail G. Billington

EIR Ibero-American Intelligence Editor Dennis Small hit the ground running in Manila, the Philippines, during his Nov. 21-25 visit, giving several radio and TV interviews, four press conferences, several private meetings, and appearing as guest speaker at the founding convention of a new political movement, which is taking shape in opposition to the high cost of "free trade" liberalization and privatization which the International Monetary Fund (IMF) is demanding of President Fidel Ramos.

Small, a longtime associate of Lyndon LaRouche and author of *EIR*'s 1995 report, "How LaRouche Knew the Mexico Debt Bomb Would Explode," addressed the founding conference of the Kilusang Tangkilikan ng mga Pilipinong Tunay (Katapat)—roughly translated, the Movement of Mutual Support of True Filipinos. Katapat brings together small and medium-sized business in retail trade, agriculture and industry, labor and non-governmental organizations (NGOs), hard hit from the effects of ratification of the General Agreement on Trade and Tariffs (GATT) by the Filipino Senate in January 1995.

From the moment he landed in Manila until his departure four days later, Small told his audiences "what they have been afraid to hear, but keep hearing anyway, and only half-believing half of that they hear," reported a well-known TV talk show hostess in her Nov. 27 *Manila Standard* newspaper column.

Can a Mexico-style crash happen in Manila? "The signs are all there," Small confirmed, and then proceeded to present how *EIR* successfully forecast the Mexico crisis two years before it happened. But, Small added, "The reason for the Mexico crash had little to do with Mexico. The true cause of the explosion of the debt problem was the international speculative crisis . . . which will bring down the entire world economy."

"When the economy is built on casinos, lotto, speculation, real estate, cancer is strengthened without the healthy part of the economy being shored up. To feed people and build infrastructure—what is known as the physical economy—you need to produce grain and steel. But the physical economy has stagnated," Small said, the IMF's financial cancer "invaded" Mexico, and dominates the entire global economy. The policies of the Mexican government only