

# Kissinger runs interference for Mexican speculator Legorreta

by Hugo López Ochoa

Everything indicates that the judicial actions take by Mexican authorities on Feb. 13 against Eduardo Legorreta and other officials of major stock brokerages in Mexico, who were implicated in speculative fraud and insider information trading related to the October 1987 stock market crash, will be limited to a few scapegoats. On Feb. 21, the Mexican Attorney General announced that with the detention of Eduardo Legorreta and three other officials of Operadora Bursátil, S.A. (OBSA) and Mexicana de Inversiones y Valores (Mexinval), the inquiry in regard to possible federal-level crimes will be closed, and the investigation of other smaller crimes turned over to the Justice Department of the Federal District, which includes Mexico City.

President Carlos Salinas de Gortari met the same day with the officials of the 25 brokerages in Mexico to exhort them to begin a "new phase" that would inspire confidence in the market. He thus made it clear that he will overlook the demands of nationalist forces in the opposition and in the ruling party itself, the Revolutionary Institutional Party (PRI), for the investigation to be widened to the person who was director of the Bank of Mexico since 1982, Miguel Mancera Aguayo, and the ex-Finance Secretary, Gustavo Petricioli, present ambassador to the United States. Mancera and Petricioli were the main architects of the 1986-87 speculative boom of the Mexican stock market, which reached unprecedented rates at the world level, and which served to create the illusion that there was an economic recovery. It was in the flush of this fantasy that ex-President Miguel de la Madrid could impose Carlos Salinas de Gortari as his successor.

As the magazine *Siempre* said in a March 1 editorial entitled "The Crash of the Lie," "The appearance of brokerage houses, which sprang up like mushrooms throughout the country, had an eminently political reason in 1987, which today is forgotten or pretended to be unknown. This reason of State embodied nothing less than the survival of the system when Mexican society was hit by the continuing failures of the government to solve the economic crisis, and the federal elections lay just ahead." Thus, he adds, it was a matter of creating "the fantasy that through a modest investment one could come to live in a bonanza. . . . The vote for the PRI

was what was at stake, and the highest bettor was the stock market."

Eduardo Legorreta himself, the owner of OBSA, stated on Feb. 13 before the Public Ministry that he was receiving "confidential information" for his financial maneuvers from the director of the Bank of Mexico. However, the following day he took it all back and alleged that he had spoken "under pressure." Meanwhile the government put an almost total clampdown on information about the results of the investigation against Isidoro Rodríguez, owner of Mexinval. Rodríguez fled the country, it seems, when somebody warned him that there was an arrest warrant out for him.

In the Senate, the opposition group, led by nationalist Senators Ifigenia Martínez and Profirio Muñoz Ledo, says that at least two officials of the prior regime of President Miguel de la Madrid should be investigated for "complicity." The PRI majority of the Senate not only rejected this, but downright impeded the holding of hearings in Congress to call witnesses who were lower-level officials in the Finance Secretariat, the Attorney General's office, and the Budget and Planning Secretariat, to respond to questions about the "threads of the yarnball"—as it was put by Senator Muñoz Ledo—of dirty dealings on the stock market.

There are many weighty reasons why the government decided to soft-pedal the Legorreta-Mancera-Petricioli connection, and they are no less serious than those that weighed in the decision to let Isidoro Rodríguez get away, after he was denounced by the oil workers union for his illegal deals with Mario Ramón Beteta, the former director of *Petróleos Mexicanos* (the state oil concern) and a crony of Miguel de la Madrid. But the main reason can be spelled with two words: Henry Kissinger.

## Enter Henry Kissinger

Henry Kissinger suddenly arrived in Mexico on Feb. 14, St. Valentine's Day, and showed up at the Mexican "White House," Los Pinos, where he was received by President Carlos Salinas de Gortari although he was not on that day's presidential agenda. What they talked about is anyone's guess. But it was not accidental that Kissinger's arrival coincided

with a wave of statements by prominent businessmen. "Dollars will leave the country with the same velocity with which businessmen are jailed," threatened Eduardo García Suárez, president of the Confederation of National Chambers of Commerce (Concanaco). Jorge Ocejo, president of the Confederation of Management of the Mexican Republic (Coparmex), also complained of the way Eduardo Legorreta had been treated. Ocejo is a member of the mighty Puebla Group, a hunting-preserve of the Rockefellers (the bankers who financed Henry Kissinger's career), via Manuel Espinoza Yglesias, who was the boss of the Banco de Comercio, which has always been a branch of Chase Manhattan Bank.

Rumors unleashed in Mexico on Feb. 14 signaled that the Japanese and Wall Street bankers had asked Finance Secretary Pedro Aspe and Undersecretary José Angel Gurría, who had just visited New York and Tokyo, to "first clean house," i.e., the Mexican Stock Exchange, to "restore trust" of investors, before beginning negotiations on supposed "fresh credits" for Mexico. In reality they meant that the Rockefeller interests, who have staged a comeback as the dominant political and financial power in the United States, ordered Salinas to "get the Legorreta out of the way," as being more tied to French, Swiss, and Italian banking groups such as the Schlumberger, DeMenil-Mallet, and Assicurazioni Generali di Venezia e Trieste, the reinsurance giant.

Locally, the Kissinger-Rockefeller hegemony and that of their Mexican allies such as the Espinoza Yglesias crowd, in the juicy stock market began to be reflected when Alfredo Harp Elú took over the presidency of the Mexican Stock Exchange after the October 1987 crash. Harp Elú replaced Manuel Somosa Alonso, joint property of Agustín Legorreta and Gustavo Petricioli. Harp Elú is a first cousin of Carlos Slim, who among other things manages the money of Espinoza Yglesias, through the Invermex brokerage, which belongs to the latter.

However, the competition between these banking groups is always like that between different competitors in the same holding company, who "duke it out" among themselves but close ranks in the face of a common danger, or vice versa. Truth to tell, Kissinger came to Mexico, among other things, to stop cold any risk that the probes into the brokerages would go beyond the tolerable limits of quarrels between competitors in the same banking aristocracy.

President Salinas de Gortari still does not have his internal situation under total control. His moves to wreck the nationalist leadership of the oil workers union lost all credibility, and the nationalist factions of the PRI and the government, tactically allied with the opposition led by popular former presidential candidate Cuauhtémoc Cárdenas, put on a lot of heat for the Legorreta case to be the spearhead of a break between this government and the last one. That would mean jailing Gustavo Petricioli, Legorreta's protector; and Miguel Mancera Aguayo.

## The debt question

But the scandal around the stock market fraud broke at the same time as the problem of the foreign debt took a turn for the worse. Since Mexico is the keystone for Henry Kissinger's economic strategy for the debtor countries, Henry in person let it be known that the volatility of the situation here is the result of the fact that there is still no concrete accord in Washington. "There is still time to negotiate," he told Televisa, the news chain of his friend Miguel Alemán. "I cannot believe that Mexico and the United States cannot find a constructive solution," he added.

But only days after the Mexican negotiators returned from Washington, keeping totally mum about their "achievements," it is clear that there is no deal yet. Mexico is asking for a flow of 7 billion fresh dollars per year to guarantee some economic growth for the next six years, plus a packet of interest rate reduction, and a reduction in debt principal by \$105 billion. In exchange, Kissinger asks that Mexico be turned into a virtual concentration camp for the activities of transnational corporations' assembly plants, within a so-called North American Common Market.

The certainty that Mexico is not going to get any new money and that it will not have the money to pay has provoked a new round of calls for a debt moratorium.

It so happens that half of what Kissinger had to say on Mexico in his Televisa interview was a testimonial on behalf of the nomination of his front-man John Dimitri Negroponte as U.S. ambassador to Mexico. The Negroponte appointment—he is known for his experience in setting up death squads and developing irregular-warfare operations, most recently displayed in the Contra recruitment in Honduras—raised universal protest in Mexico, and was the proof for many that President George Bush really does not have good intentions toward Mexico. At least not as long as Kissinger is mediating the relations. "The Salinas-Bush honeymoon was over before it began," was the general comment.

Meanwhile, Miguel Nazar Haro, intelligence director for the Federal District's Secretariat of Security and Highways, was forced to request a leave of absence. Nazar Haro, one of the top Mexican policemen and a counterintelligence expert, directed the operation that dismantled the terrorist groups who ravaged the country in the 1970s, especially the 23rd of September Communist League. For several weeks, the leftists and the pro-Salinas press carried on a vicious campaign to demand that Nazar Haro step down. The same demand has been made, since December, by some of the major Anglo-American Establishment dailies, accusing him of "corruption."

The 1985 book, *The PAN, Moscow's Terrorists in Mexico*, put out by the Mexican Labor Party, describes the role that Kissinger and Rockefeller have played in controlling terrorism in Mexico, in league with their sometimes rivals, the Legorreta family.