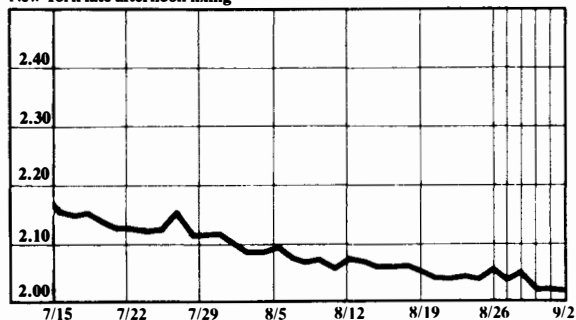


Currency Rates

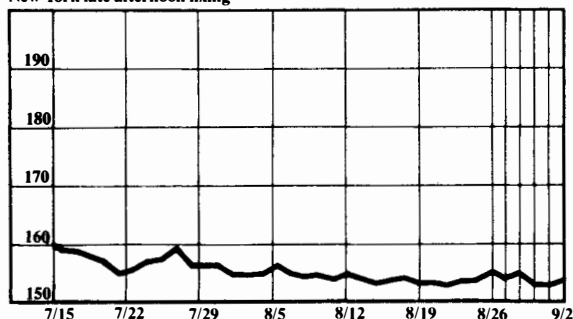
The dollar in deutschemarks

New York late afternoon fixing



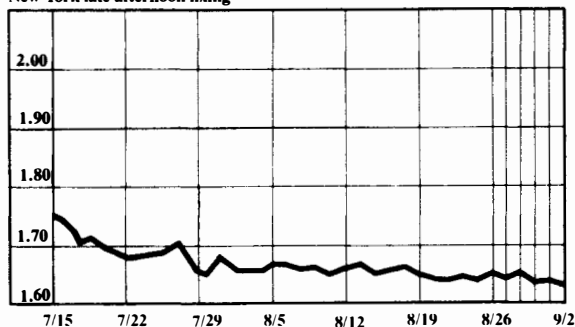
The dollar in yen

New York late afternoon fixing



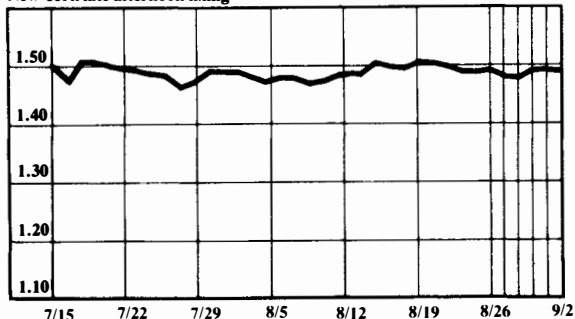
The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



Ibero-America

The debt-for-equity

by Valerie Rush

The Sept. 4 announcement of a new foreign-investment policy in Mexico speaks volumes about the degree of capitulation to International Monetary Fund (IMF) dictates hidden behind the recent \$12 billion debt-bailout pact. That policy, issued by presidential decree, may in fact prove the death blow to the country's tradition of nationalist resistance to foreign capital takeover of the Mexican economy. Unfortunately, it is also just one of a series of similar policy decisions made in the recent period across the continent, which threaten to usher in a new imperialist era under the Kissingerian "debt-for-equity" rubric.

The Mexican government's foreign investment announcement also came on the heels of President Miguel de la Madrid's annual report to the nation of Sept. 1. In his report, any hopes that the Mexican head of state would heed the call of his Peruvian colleague for unity in defense of political and economic sovereignty were dashed. Instead, de la Madrid told Mexico's population to expect "permanent austerity," while promising its creditors "responsible dialogue and non-confrontation" on the debt (see *Documentation* below).

Opening the floodgates

Mexico's changes in foreign-investment policy are more than a foot-in-the-door for international finance capital. Rather, they are likely to throw open the floodgates to Mexico's international creditors desperate to convert \$100 billion in unpayable debt paper into hard equity gouged from the Mexican economy.

According to the Sept. 4 *Official Bulletin*, Mexico's National Commission on Foreign Investment is now authorizing international finance companies to either purchase outright or convert debt-holdings to equity in Mexican companies, without being considered "foreign investors" subject to Mexico's traditional restrictions on foreign investors. The only condition? The foreign capital involved is expected to be "primarily" channeled into the economic and social development of Mexico.

The decree also authorizes small- and medium-sized foreign companies to establish themselves as majority holders inside Mexico without previous authorization, a decision which explicitly overturns standing legislation which sets a