

tem, in which Mexico could either avoid new devaluations or regain lost real wages. One should view the worsening crisis within the international system as creating the circumstances, of worldwide breakdown-crisis, in which the needed reforms can be introduced. A profound change has erupted within the London-centered, global financial system: the notoriously powerful Barings Bank, one of the leading representatives of the private interests of the British royal family, has been declared bankrupt. The Clinton-hating London *Telegraph* has insisted, hysterically, that Barings' bankruptcy was merely the result of irregularities of a single, junior-rank trader operating out of Barings' Singapore office. Contrary to the *Telegraph*, many other prominent voices in the financial community acknowledge the fact, that the Barings bankruptcy has been a direct result of a deadly systemic crisis of the international financial system . . . a global sickness centered in the bloated financial bubble of speculation in so-called "derivatives."

El Porvenir: Who do you believe are the ones most responsible for Mexico's financial crisis?

LaRouche: As to the responsibility of the government of Mexico, one must look back to August-October 1982, which was the last time Mexico held in its hands the possibility to resist those policies which have crushed Mexico since that time: I am hesitant to condemn the behavior of a hostage who has acted with a loaded gun pressed against the back of his neck. It is clearly the international policy-shapers who are culpable for all the financial losses and human misery which the oligarchy's policies have imposed upon Mexico, especially since January 1982. . . .

El Porvenir: What economic policies could increase direct foreign investments in Mexico?

LaRouche: I do not think it desirable to rely predominantly upon foreign investments in Mexico for economic recovery. I would prefer that 80-90% of all new investments come from within Mexico, and that the margins of foreign investments be limited to funding of indispensable technology imports for Mexico's own investment in agricultural, infrastructural, and industrial development.

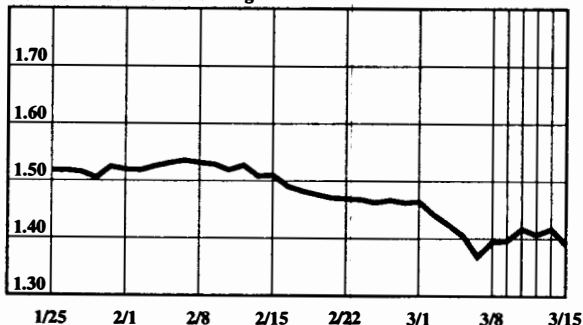
For this purpose, Mexico requires a "Hamiltonian" sort of national banking system, to supply state-created credit, in the form of created currency-notes of the Treasury of Mexico. These notes should be loaned to selected qualities of borrowers, in progressive tranches, at prime borrowing costs of between 1% and 2% per annum. The principal use of these loans is for issuance of production credit to national infrastructure projects and their authorized private contractors.

The second principal category of lending of such notes should be to private ventures which accord with a set of national priorities, such as those employed by President Charles de Gaulle for his successful resuscitation of the economy of France.

Currency Rates

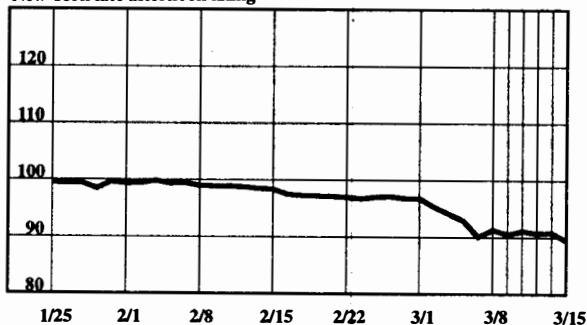
The dollar in deutschemarks

New York late afternoon fixing



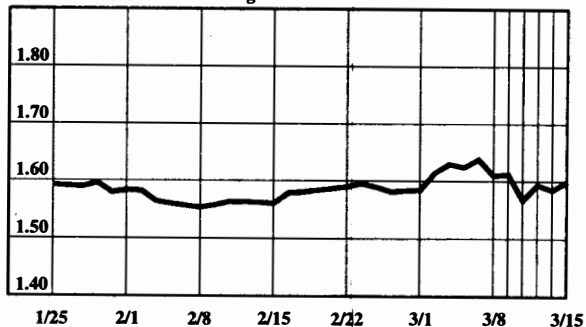
The dollar in yen

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

