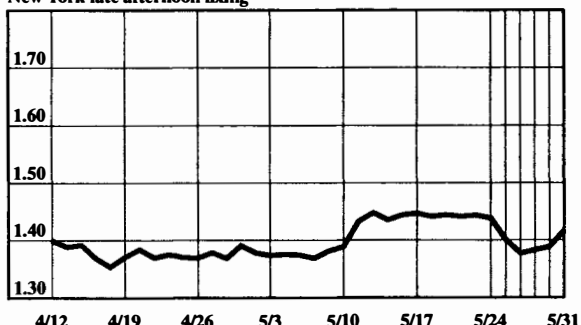


Currency Rates

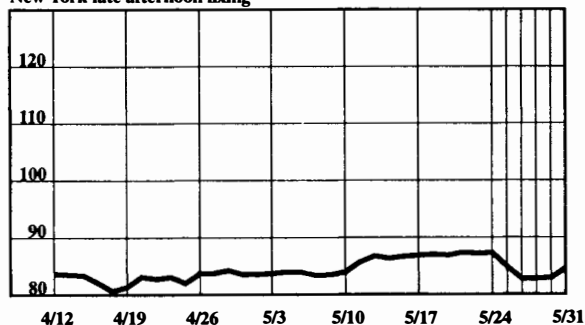
The dollar in deutschemarks

New York late afternoon fixing



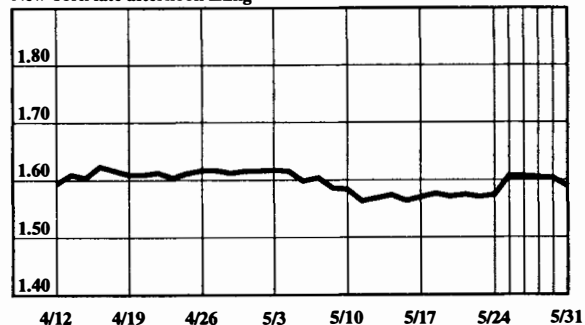
The dollar in yen

New York late afternoon fixing



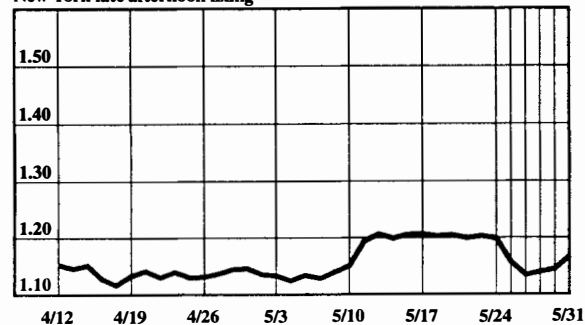
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Interview: Jaime Miranda Peláez

The 'free market' is a mental disease

Miranda Peláez, president of the Cajeme Agricultural Credit Union (UCAC) and coordinator of the Permanent Forum of Rural Producers (FPPR) in Sonora, Mexico, replied in writing on May 25 to EIR's questions.

EIR: The UCAC and the FPPR are leading a protest, proposing that the producers mobilize not only for a better price for wheat, but for a radical change in economic policy toward agriculture. What do you propose?

Miranda Peláez: Ever since Mexico joined GATT [General Agreement on Tariffs and Trade] in 1986, and launched an indiscriminate trade opening policy, the government has undertaken a series of measures that are dismantling the entire productive apparatus that sustained our agricultural activity. One of those measures is the abandonment of price guarantees, which we now know is a condition of the International Monetary Fund and World Bank. The fact is that, stemming from those measures, what we have seen is a constant collapse in prices for our products simultaneous with a constant rise in the cost of our inputs. This has been a fatal combination, which has led to decapitalization, indebtedness, and insolvency.

EIR: The U.N. Food and Agriculture Organization no longer has food reserves, and even the U.S. government is without reserves. How does this affect Mexico?

Miranda Peláez: This is very serious for our country, more so in the present period when we are threatened by a severe drought that has taken out of production more than 5 million hectares and which demands an increase in the volume of imports of grains and edible oils. This world shortage of food will cause an exponential increase in food prices, at a moment when the country finds itself in total financial bankruptcy which will make it practically impossible to import the necessary quantities of food to cover our growing domestic deficit. In sum, we are facing the immediate prospect of famine, which will endanger the lives of millions of Mexicans.

This reminds me of what we have been insisting upon in various meetings with producers and officials regarding the absurd theory of "comparative advantage," which argues that in a free-market economy, it is cheaper to import food than produce it in our own country. And now, just as we warned them, "the bargain is turning out to be very expensive." This convinces me that the so-called "free market" is not an