

As a result, we will have inflation in 1985: More money circulating without backup in real production, constant increase in the prices of products which keep getting scarcer. This is called hyperinflation and not economic recovery.

Where will the money come from for the so-called investments? If it is indeed true that theoretically foreign investment in this business will be restricted, this will not be the case for the looters of flight capital (who are hardly "small savers"), who keep some \$60 billion abroad. Part of this will come flooding back into Mexico, making a killing on the devaluation of the peso. Along with this returning flight capital, a lucrative market of Mexican "front men" will proliferate, via whom the foreign creditors will come in to collect their debts in the form of assets.

*The first to enter the game of stock buying and selling will be the huge institutional investors who have made speculation their business, and who have been lying in ambush since 1982 to take revenge for the nationalization of Mexican banking.*

This type of reform in the national financial system is exactly like that which in Colombia, under the government of ex-President Alfonso López Michelsen in 1974-78, served to mediate the legal introduction of dope trafficking revenues.

The above prediction does not come out of a crystal ball, but from the simple recollection of what has already happened to countries like Argentina, Colombia, Peru, and even Chile, with the application of the same "laws" favoring the mythical "magic of the marketplace." In those countries, when the overvalued prices of the stocks of the "firms on the stock market" started to keel over, what took place was not recovery, but a lot of suicides among the small investors.

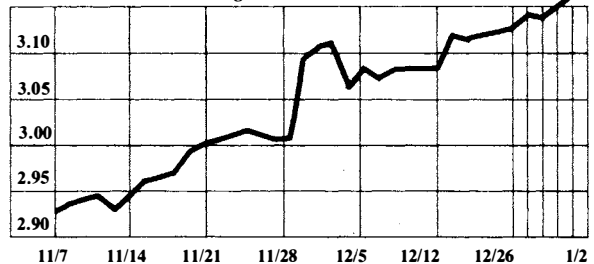
The monetarists encrusted in the cabinet of President Miguel de la Madrid have passed along the pressure of the speculative bubble in the banking sector (which could no longer go on issuing paper at interest rates beginning to surpass the barrier of 100%), to other sectors of the economy. With the investment company law, they have built yet another story in the speculative skyscraper they constructed over the last two years through the hyping of treasury bonds and other schemes.

What must still be determined politically is whether President de la Madrid will accept selling (and selling cheap) the rope with which the speculators want to strangle the Mexican state.

## Currency Rates

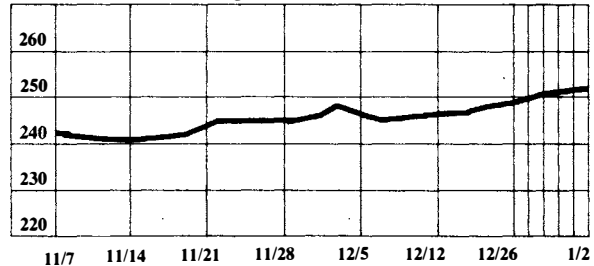
### The dollar in deutschemarks

New York late afternoon fixing



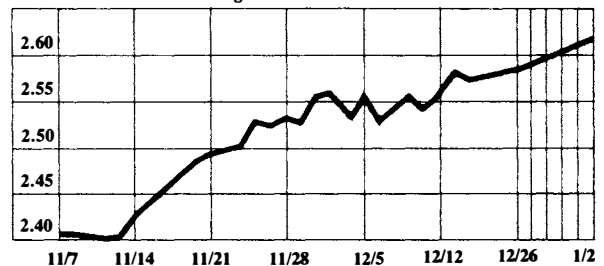
### The dollar in yen

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

