

sion. . . . We firmly reject the option which only offers scarcity and despair to Mexicans with the sole purpose of continuing paying, in its entirety, the interest on the debt, as if the petroleum [price] collapse did not exist."

He concluded with the following rejoinder to the nakedly interventionist efforts of Volcker and the International Monetary Fund: "Through all its history, Mexico has been a country which has fought at the cost of thousands, perhaps millions, of Mexican lives to be a free country, to be an independent country, to decide its own destiny, its own priorities, its own economic policy. . . . Nobody is going to dictate our economic policy to us. . . . We will do battle for the Nation."

### Renewed patriotism

Petricioli came to Washington to "do battle for the Nation" with the support of leaders of all the sectors which form the social basis of the Mexican state: industrialists, workers, peasants, the army, and also that of the Catholic Church. Patriotism has revived throughout Mexico; throughout Ibero-America the "conformity" characteristic of the Silva Herzogs of the continent has been wiped out at the stroke of a pen, giving way to the courage which characterizes Alan García, of Peru, who has already shown the way.

On June 24, the chief of the presidential military general staff, Gen. José García Elizalde, proclaimed, "Today, as in 1914, we are willing to defend the country." In 1914, U.S. Marines landed in the port of Veracruz, with the complicity of Mexican traitors, only to be repulsed by Mexican army cadets. The President's representative concluded, "We are the only ones who have a right to participate in our decisions, struggling united and in solidarity for better times. Let us learn from the past. Let the painful lessons not be repeated."

The same day, Mexican Workers Confederation chief Fidel Velázquez reiterated, "If the government decides to have a moratorium, we will support it." Sen. Rafael Armando Herrera of the National Peasant Federation said that a moratorium "would be a drastic measure, but perhaps rigorously necessary."

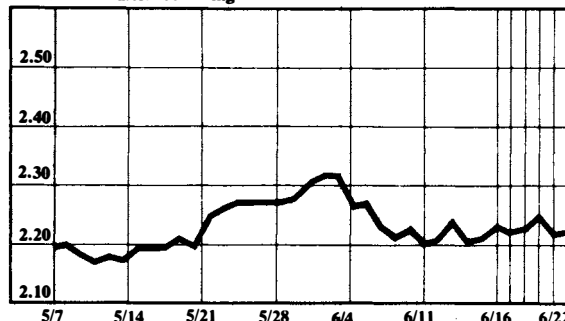
Fernando Gutierrez Barrios, ruling-party candidate for the governorship of the state of Veracruz, reminded his listeners of President Lazaro Cardenas, who expropriated foreign oil companies in 1938 and is the symbol of "our sovereignty and our national dignity." He was cheered by 10,000 members of the powerful oil workers union.

Attention is now focused on Bank of Mexico director Miguel Mancera. While Silva Herzog's demise put debt negotiations in the President's hands, Mancera's departure is vital for controlling the internal economy. Mancera responded to Petricioli's appointment by provocatively raising interest rates another 3.75%. On June 25, the *Wall Street Journal* reported that Mancera would accompany Petricioli on what it anticipated would be a continuation of Silva Herzog's negotiations. That afternoon, Petricioli jumped on a plane, but Mancera went home early.

## Currency Rates

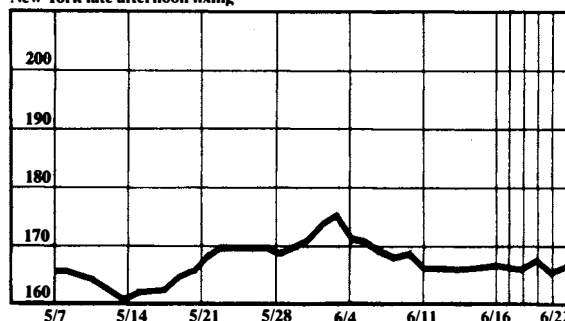
### The dollar in deutschmarks

New York late afternoon fixing



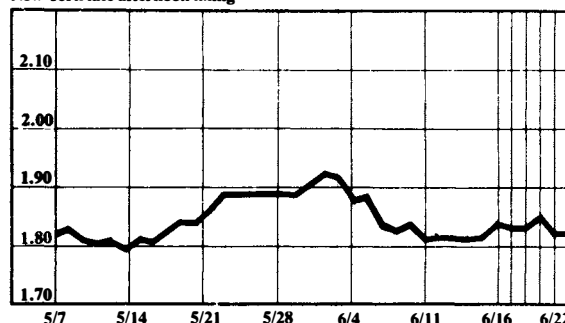
### The dollar in yen

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

