

Paulo. Another pipeline accord has been signed with Argentina, this one to extend from the province of Entre Ríos to Porto Alegre, the capital of the Brazilian state of Rio Grande do Sul.

In Brazil, the region affected by the waterway encompasses the states of Mato Grosso do Sul, Mato Grosso, and Rondonia. In Mato Grosso do Sul, a mere 5 million hectares out of an estimated arable land mass of 20 million hectares are under cultivation. In Mato Grosso, only 5% of total arable land is cultivated. In general, the central western portion of Brazil through which the waterway extends, holds the greatest potential for agricultural expansion and in short order will become a major soy producer.

The waterway crosses two highway/railroad corridors which could become high-density industrial centers in the medium term. The first runs from Antofagasta (Chile) through the highly fertile region of Argentina between the cities of Salta and Corrientes, to finally arrive at the port of Rio Grande.

To the north, the waterway crosses the São Paulo-Bolivia corridor, which will rapidly increase in importance when the gas pipeline is built and the Urucum-Mutum mines developed. At the waterway's northernmost tip, in the city of Caceres, it links with highway BR 364, which extends from São Paulo and will ultimately connect with the port of Callao in Peru.

Conservatively speaking, the region could incorporate 50 million hectares for the production of meat and grain, leaving aside the approximately 34,000 square kilometers of watershed which are flooded for a large part of the year, such as the Chaco region in Argentina, Paraguay, and Bolivia, which with adequate hydraulic infrastructure could be incorporated into agricultural production.

The waterway's profitability is evident. For example, Argentina needs iron ore and manganese, which would come down from Brazil and Bolivia. Millions of tons of wheat, fertilizer, and various industrialized products could return in exchange. The products that could come and go the length of the waterway include: soy, wheat, cotton, barley, wood pulp, paper, liquid fuels, raw material for fertilizers, fertilizers, steel products, coal, iron ore, manganese, etc.

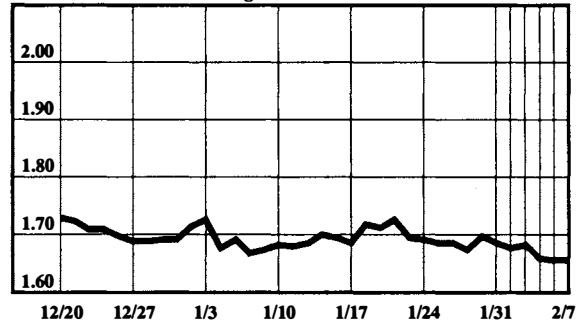
Besides the productive potential such a project implies for the region, it could also give the countries involved a way to break loose from the grip of the drug trade, since the underdeveloped region of the waterway has traditionally served as a natural smuggling route for contraband and drugs. It is reckoned that one-third of gold production, an undefined quantity of tin, thousands of tons of soy and other farm products, leave Brazil as contraband through this region. In Bolivia especially, the development of vast modern agricultural zones would go a long way toward eradicating that country's drug-based economy.

Best of all, launching this model integration project does not depend on foreign resources, but merely the political will of Ibero-America's rulers to "think big."

## Currency Rates

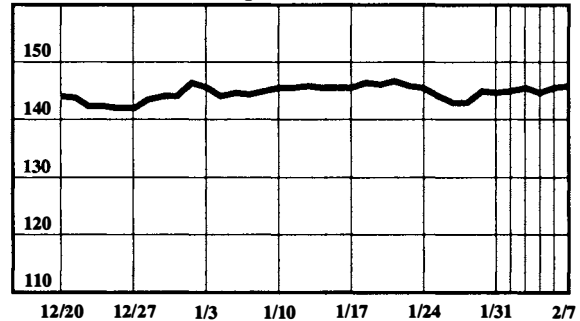
The dollar in deutschemarks

New York late afternoon fixing



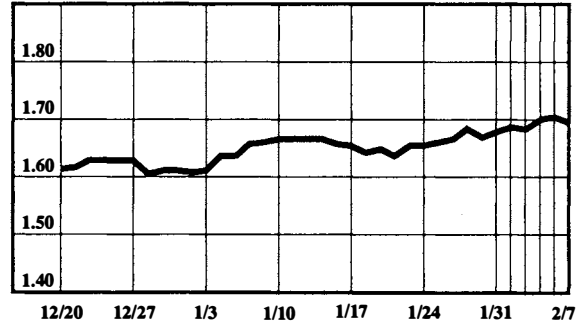
The dollar in yen

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

