

foreign investors, who are induced to look for other places to invest." The next day, Fidel Velázquez, head of the CTM trade union confederation, the Workers' Central of Mexico, dutifully announced the removal from office of the leaders in question. So far, the leaders are risking arrest by refusing to step down.

Salinas also mocked all efforts to salvage the ruling Institutional Revolutionary Party (PRI) as anything but an arm of government entrusted with enforcing austerity. At the PRI's national convention Sept. 3-5, numerous speakers attempted to argue for separating the party from the government, and for creating democratic procedures whereby the masses could have a say in the running of the party.

But Salinas said "no."

Speaking at the closing session Sept. 5, Salinas attacked all who would criticize the PRI. "All opinions are welcome," he stated, "save those that while talking of democratization, in reality encourage the party's division. . . . We . . . firmly refuse to debate those of the opposition who denigrate the party within the country and have no political modesty when it comes to criticizing the PRI and the government abroad . . . without recognizing the damage that this attitude can cause the party," he said.

As Salinas probably anticipated, the leader of the internal opposition, the "Critical Current," Rodolfo González Guevara, felt forced to announce his resignation at the conclusion of the convention, after 44 years in the party, saying it could no longer be reformed from within.

Mexico's extreme misery

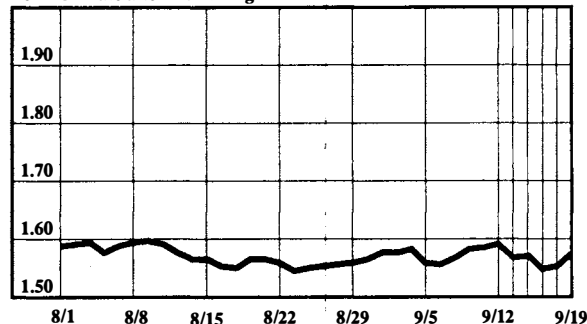
The reason for Salinas's hard line is not hard to find. A two-part feature in *Unomasuno* newspaper on Sept. 5 and 6, based on a new report on the internal condition of Mexico, revealed that more than 20 million Mexicans live in "extreme misery," "housed in hovels of cardboard, mud, straw, clay or palm," while more than 40 million people, half the entire population, "struggle at the limits of poverty." The minimum wage today is well under half the real value, measured in buying power, that it had in 1980, and is only 56.6% of its value in 1970. Some 40% of the population is underemployed, and another 12% are unemployed, leaving less than half the population working full-time jobs. The study documented that 40% of the population suffers nutritional deficiencies, and that the country is completely incapable of feeding its own population.

Food production has plummeted. In 1981, the country produced 14.5 million tons of corn, but only 10.6 million tons in 1988, while the population grew over 15%. Output of beans, another staple, has also fallen, while production of rice, at 533,000 tons in 1985, was only 300,000 tons in 1988. The wheat harvest, on which the population depends, fell from 5.2 million tons in 1985 to 3.6 million tons in 1988. And milk output is down from 7 million tons in 1982 to 5.2 million in 1988.

Currency Rates

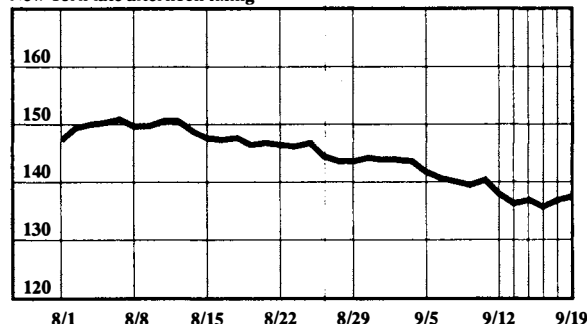
The dollar in deutschemarks

New York late afternoon fixing



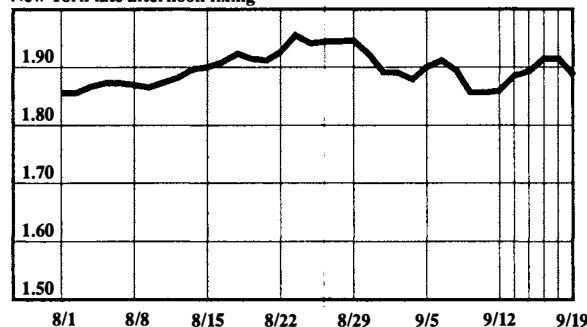
The dollar in yen

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

