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## **Mexican Economists Association: Foreign Debt Should Be Paid With Flight Capital**

*by John Neagle*

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On March 12, at an international conference on the foreign debt problem in the city of Cocoyoc, Morelos state, Mexico's National Economists Council (CNE) presented a statement indicating that the country's foreign debt could be paid with national capital invested abroad. In the past 10 years, said the economists, Mexican flight capital totaled about \$50 billion. CNE spokespersons pointed out that flight capital could become a major source of payments on the foreign debt for most Latin American nations. The economists stated that in the past decade, capital flight for the region as a whole was estimated at between \$200 billion and \$350 billion. The debt conference was sponsored by the Universidad Nacional Autonoma de Mexico, Washington University, and the Ford Foundation. Next, the Mexican economists suggested that a useful strategy for relieving the debt burden would be for international financial institutions to establish fixed interest rates not to exceed 5% per annum for the next 25 years, and the extension of five-year grace periods to debtor nations experiencing serious economic problems. (Basic data from PRENSA LATINA, 03/12/87)

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