

the solution to the external debt problem becomes the first priority."

On the IMF

The conditions imposed in such exercises . . . can conceivably result in unexpected social and political developments in debtor countries [and] in some cases tend to reinforce drops in output levels, high levels of unemployment and worsen the regressive distribution of income. . . . Such measures can affect the political stability of the debtor countries and their autonomy to design their own economic policy. It ought to be pointed out that the nature of these adjustments can also affect creditor nations through . . . a significant effect on the level of exports of industrialized nations. . . .

[IMF measures] could transform the current situation of shortage of liquidity [of debtor nations] into a situation of insolvency. This would result in an inability to service the foreign debt, followed by various forms of unilateral moratorium on the part of debtor countries, together with the inevitable repercussions this would have on the international financial markets and creditor banks."

On joint debt renegotiation

Everything points to the existence of a degree of imbalance between the negotiating parties. On the one hand there seems to have been certain concerted attitudes between the creditor banks, the governments of creditor nations, and the IMF. On the other side of the bargaining table the debtor country has had to find comfort in its own endowment of resources. . . .

A joint renegotiation of foreign debt is not feasible, as each country has its own problems, its own internal working mechanisms, and different levels and characteristics of their respective foreign debts. However, an effort should be made to agree upon general principles, minimum platforms. . . .

An institution or group of institutions could monitor the debt agreements and see that debt repayment is compatible with the economic reactivation and productive employment needs of debtor countries. Each country would conduct its own debt contracting, but would make use of the general criteria agreed upon by all parties involved in the debt issue. A series of common criteria and requests from debtor countries have emerged from the Santo Domingo accord which manifests . . . the "solidarity of Latin American states against any compelling action taken against any of them as a consequence of the imposition of criteria that differs from that stated earlier."

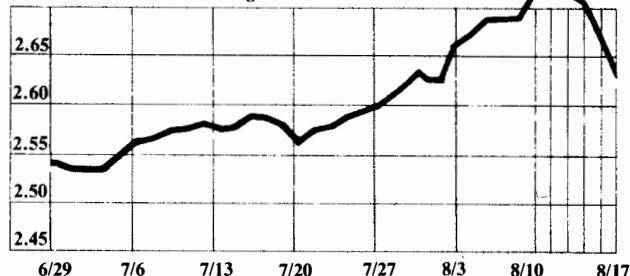
On the common market

Intraregional integration and cooperation, especially mutual trade, is acquiring great importance. . . . The most urgent measures include the need to make use of the region's idle capacity in a shared and, insofar as possible, complementary manner . . . to obtain greater collective economic security.

Currency Rates

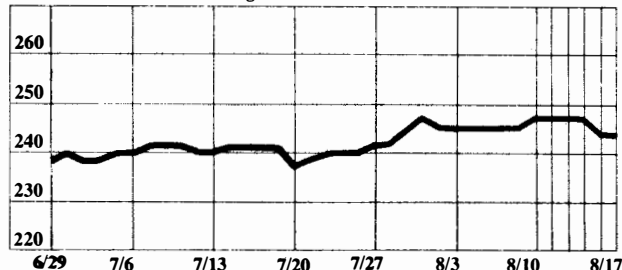
The dollar in deutschemarks

New York late afternoon fixing



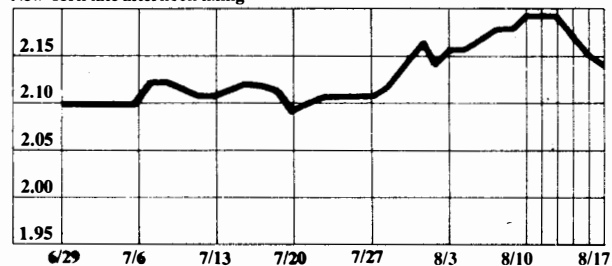
The dollar in yen

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

