citing Pope John Paul's pronouncements to this effect. And, as García pointed out on returning to Lima, a mechanism was established, one entirely in the hands of Ibero-American countries themselves and not under the U.S. thumb, through which more concrete unity moves can be later conducted, as conditions worsen.

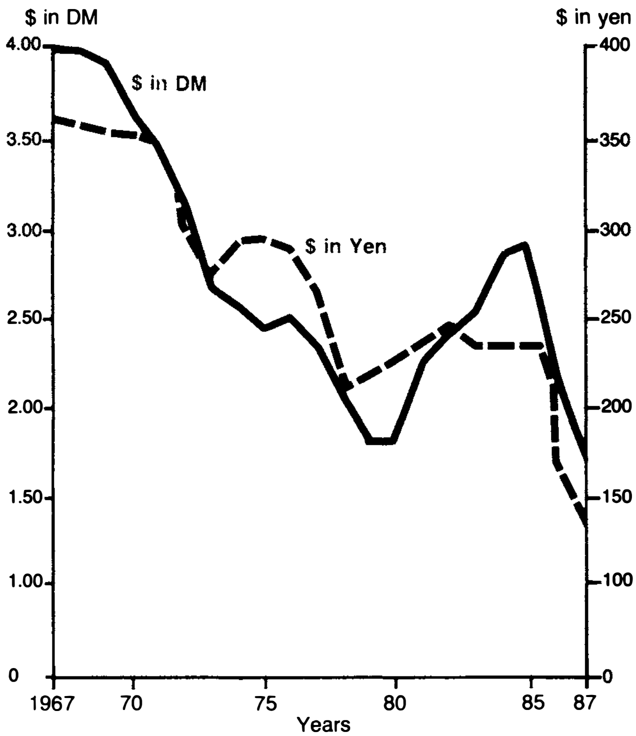
In fact, during 1988, debt moratoria, either deliberate or forced, are inevitable for all three major debtors. Argentina will run out of money in a few months. Brazil's crisis will soon recreate the conditions that forced the first moratorium. Mexico's blowout will one way or another make full debt servicing impossible before the end of the year.

Thus, the question facing the leading nations is not whether to have a debt moratorium, but whether to have one de facto in the wake of a terrible collapse that destroys national institutions and opens the door to the Soviets and their proxies. The alternative is to declare a moratorium as a unified political decision that opens the door to resolving the crisis.

Correction: *The graph published in our last issue, page 12, was incorrectly labeled for the years after 1977. The graph below shows the correct figures. Also, on page 11 of that same issue, the title of Figure 6 should have read, "Trends in industrial employment, 1944-83."*

FIGURE 7

U.S. dollar in deutschemarks and yen 1967–1987



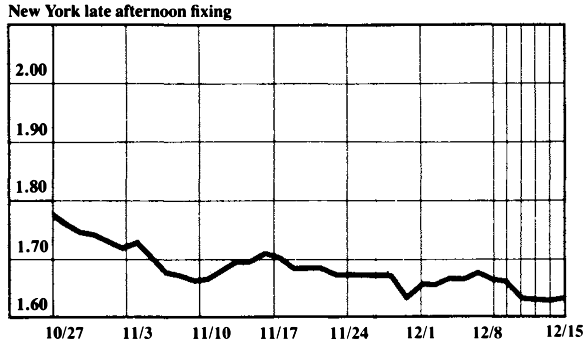
*Amounts are averages for those years; the real Carter low came in April 1979, 1.72 DM

Source: *International Financial Statistics*, International Monetary Fund.

Currency Rates

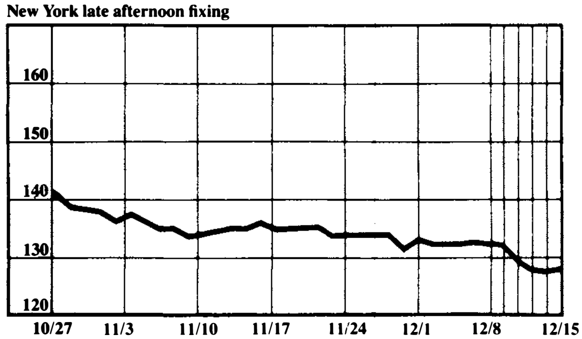
The dollar in deutschemarks

New York late afternoon fixing



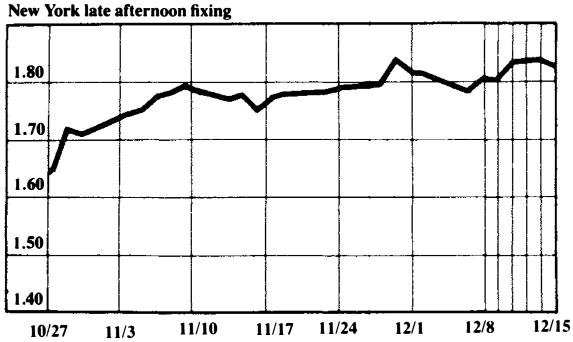
The dollar in yen

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