



ECONOMIC COMMISSION FOR LATIN AMERICA

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353 (XVI) MONETARY INSTABILITY AND INFLATION

The Economic Commission for Latin America,

Seriously concerned at the adverse effects which the forms of monetary instability and inflation generated in developed countries are having on the economies of the developing countries in general and those of Latin America in particular,

Instructs the ECLA secretariat to prepare as a matter of the greatest urgency and priority, in collaboration with the appropriate international bodies, a study on the effects of the forms of monetary instability and inflation generated in developed countries on the economies of the countries of the region, with special attention to their incidence in the following matters:

- (a) The real value of international monetary reserves;
- (b) The purchasing power of external financing;
- (c) Interest rates on external financing;
- (d) The real value of income from Latin American export products;
- (e) The cost of technology;
- (f) International freight rates;
- (g) Insurance and reinsurance premiums;
- (h) The relation of the terms of trade of the Latin American countries to those of the developed countries;

Requests the secretariat to examine the most suitable procedures for preventing these monetary phenomena from occurring and for preventing or correcting the adverse effects on the economies of Latin America described in the above-mentioned study;

Urges the member Governments of the Commission to undertake joint action for the adoption of effective measures aimed at the following objectives:

- (a) Eliminating the instability of the international monetary system;

/ (b) Checking

(b) Checking or correcting the inflation generated in developed countries, both at the international level, through action in the relevant bodies, and at the national level, through action by the developed countries responsible for the problem;

(c) Maintaining the real value of the international monetary reserves of the developing countries.

191st meeting
13 May 1975