

# LETTERS TO THE EDITOR

9/02/95

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We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). Translation may be available for letters written in the main international languages.

## Mexico loan eases wider instability

*From Mr T Matthew W Pragnell.*

Sir, In his article "The real lesson from Mexico's debacle" (January 30), in which he criticises the US loan to Mexico, Michael Prowse fails to mention the fact that the policy enacted by President Clinton is consistent with US foreign policy toward its neighbouring

## Economy needs single currency

*From Mr Duncan Heenan.*

Sir, Those who oppose a single European currency should review their basic economics and consider the functions of money. There are only three: a means of exchange, a unit of account and a store of value. All three functions are enhanced by a wider acceptance of the currency. It is worth remembering also what money is not: a national flag, an item of intrinsic value or a

meal ticket for the money changers.

For manufacturers such as ourselves who make products with an intrinsic value, and sell quite a lot of them abroad, the arguments advanced by the opponents of a single currency seem remote from the real economy, as do some of the derivative "products" and markets they have invented to interfere with economic fundamentals.

I doubt whether such comments will be listened to by the decision makers, however, as we live in a culture which seems to consider the carving up of profits a more worthy activity than the generating of them.

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