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Statement by the Managing Director of the
International Monetary Fund and the President
of the World Bank on the Debt Strategy

In a statement issued on December 2, the President of the World Bank and the Managing Director of the IMF expressed their strong support for the debt initiative proposed by the Governor of the Fund and the Bank for the United States, Secretary of the Treasury James A. Baker, III, on the occasion of the Annual Meetings of the IMF and the World Bank in Seoul, Korea in October 1985. Secretary Baker's initiative which he described as "a program for sustained growth" is designed to strengthen the international debt strategy and to deal with the debt problem in the context of growth and adjustment.

Over the last few days, the international banking community has also been expressing its support for the debt initiative in messages received by the Managing Director of the IMF and the President of the World Bank. Up to now representatives of banks from the major financial centers, accounting for an overwhelming majority of bank claims on heavily-indebted, middle-income countries have welcomed Secretary Baker's initiative as a positive and constructive approach and confirmed their willingness to play their part on a case-by-case basis, in collaboration with all other parties, in the implementation of the debt strategy.

The President of the World Bank and the Managing Director of the IMF welcome these positive and encouraging expressions of support for the debt initiative from the banking community and look forward to cooperating with the banks in putting the strategy into practice quickly and effectively.