

# UNCLASSIFIED NON CLASSIFIE

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its reform and to establish the criteria under which Western economic assistance could effectively support these reforms. This work should be completed by year's end and be convened by the IMF.

46. We took note of the importance to the Government of Japan of the peaceful resolution of its dispute with the Soviet Union over the Northern Territories.

47. The host Government will convey to the Soviet Union the results of the Houston Summit.

## THE DEVELOPING NATIONS

48. We reiterate that our commitment to the developing world will not be weakened by the support for reforming countries in Central and Eastern Europe. The poorest of the developing nations must remain the focus of special attention. The International Development Association replenishment of SDR 11.6 billion, agreed to last December, will provide needed resources for these countries, and marks the incorporation of environmental concerns into development lending. It is our intention to take a constructive part in the Paris Conference on the least developed countries in September.

49. The advanced industrial economies can make a number of major contributions to the long-run development of the developing countries. By sustaining economic growth and price stability, we can offer stable, growing markets and sources of capital for the developing world. By providing financial and technical support to developing countries undertaking genuine political and economic reform, we can reinforce their ongoing liberalization. The industrialized nations should continue to make efforts to enhance their development aid and other forms of assistance to the developing countries, including reinforcing the effectiveness of the aid.

50. In the developing world, there is a growing acceptance of the view that growth can be encouraged by a stable macroeconomic framework, sectoral reform to provide more competition, and an opening of markets. Open, democratic, and accountable political systems are important ingredients in the effective and equitable operation of market-oriented economies.

51. Important contributions to a hospitable investment climate can be made by the protection of intellectual property, and by liberalization of investment regimes, including transparent and equitable investment rules, and equality of treatment for foreign and domestic investors.

52. The recent Enterprise for the Americas initiative announced by the U.S. President will support and encourage more market-oriented policies in Latin America and the Caribbean. We believe that such U.S. efforts hold great promise for the region and will help