

will require comparable efforts from all negotiating partners.

On this basis we expect that an agreement can be reached before the end of 1992.

9. We are committed, through coordinated and individual actions, to build confidence for investors, savers, and consumers: confidence that hard work will lead to a better quality of life; confidence that investments will be profitable; confidence that savings will be rewarded and that price stability will not be put at risk.

10. We pledge to adopt policies aimed at creating jobs and growth. We will seek to take the appropriate steps, recognising our individual circumstances, to establish sound macroeconomic policies to spur stronger sustainable growth. With this in mind we have agreed on the following guidelines:

- to continue to pursue sound monetary and financial policies to support the upturn without rekindling inflation;
- to create the scope for lower interest rates through the reduction of excessive public deficits and the promotion of savings;
- to curb excessive public deficits above all by limiting public spending. Taxpayers' money should be used more economically and more effectively;
- to integrate more closely our environmental and growth objectives, by encouraging market incentives and technological innovation to promote environmentally sound consumption and production.

As the risk of inflation recedes as a result of our policies, it will be increasingly possible for interest rates to come down. This will help promote new investment and therefore stronger growth and more jobs.

11. But good macroeconomic policies are not enough. All our economies are burdened by structural rigidities that constrain our potential growth rates. We need to encourage competition. We need to create a more hospitable environment for

private initiative. We need to cut back excess regulation, which suppresses innovation, enterprise and creativity. We will strengthen employment opportunities through better training, education, and enhanced mobility. We will strengthen the basis for long-term growth through improvements in infrastructure and greater attention to research and development. We are urging these kinds of reforms for new democracies in the transition to market economies. We cannot demand less of ourselves.

12. The coordination of economic and financial policies is a central element in our common strategy for sustained, non-inflationary growth. We request our Finance Ministers to strengthen their cooperation on the basis of our agreed guidelines and to intensify their work to reduce obstacles to growth and therefore foster employment. We ask them to report to our meeting in Japan in 1993.

United Nations Conference on Environment and Development (UNCED)

13. The Earth Summit has been a landmark in heightening the consciousness of the global environmental challenges, and in giving new impetus to the process of creating a world-wide partnership on development and the environment. Rapid and concrete action is required to follow through on our commitments on climate change, to protect forests and oceans, to preserve marine resources, and to maintain biodiversity. We therefore urge all countries, developed and developing, to direct their policies and resources towards sustainable development which safeguards the interests of both present and future generations.

14. To carry forward the momentum of the Rio Conference, we urge other countries to join us:

- in seeking to ratify the Climate Change Convention by the end of 1993,
- in drawing up and publishing national action plans, as foreseen at UNCED, by the end of 1993,
- in working to protect species and the habitats on which they depend,
- in giving additional financial and technical support to developing countries for