

- state that the purposes of improved coordination should explicitly include promoting non-inflationary economic growth, strengthening market-oriented incentives for employment and productive investment, opening the international trading and investment system, and fostering greater stability in exchange rates;
- reaffirm the undertaking at the 1982 Versailles Summit to cooperate with the IMF in strengthening multilateral surveillance, particularly among the countries whose currencies constitute the SDR, and request that, in conducting such surveillance and in conjunction with the Managing Director of the IMF, their individual economic forecasts should be reviewed, taking into account indicators such as GNP growth rates, inflation rates, interest rates, unemployment rates, fiscal deficit ratios, current account and trade balances, monetary growth rates, reserves, and exchange rates;
- invite the Finance Ministers and Central Bankers in conducting multilateral surveillance to make their best efforts to reach an understanding on appropriate remedial measures whenever there are significant deviations from an intended course; and recommend that remedial efforts focus first and foremost on underlying policy fundamentals, while reaffirming the 1983 Williamsburg commitment to intervene in exchange markets when to do so would be helpful.

The Heads of State or Government:

- request the Group of Five Finance Ministers to include Canada and Italy in their meetings whenever the management or the improvement of the international monetary system and related economic policy measures are to be discussed and dealt with;
- invite Finance Ministers to report progress at the next Economic Summit meeting.

These improvements in coordination should be accompanied by similar efforts within the Group of Ten.

8. The pursuit of these policies by the industrialized countries will help the developing countries in so far as it strengthens the world economy, creates conditions for lower interest rates, generates the possibility of increased financial flows to the developing countries, promotes transfer of

technology and improves access to the markets of the industrialized countries. At the same time, developing countries, particularly debtor countries, can fit themselves to play a further part in the world economy by adopting effective structural adjustment policies, coupled with measures to mobilize domestic savings, to encourage the repatriation of capital, to improve the environment for foreign investment, and to promote more open trading policies. In this connection, noting in particular the difficult situation facing those countries highly dependent on exports of primary commodities, we agree to continue to support their efforts for further processing of their products and for diversifying their economies, and to take account of their export needs in formulating our own trade and domestic policies.

9. Private financial flows will continue to play a major part in providing for their development needs. We reaffirm our willingness to maintain and, where appropriate, expand official financial flows, both bilateral and multilateral, to developing countries. In this connection, we attach great importance to an early and substantial eighth replenishment of the International Development Association (IDA) and to a general capital increase of the World Bank when appropriate. We look for progress in activating the Multilateral Investment Guarantee Agency.

10. We reaffirm the continued importance of the case-by-case approach to international debt problems. We welcome the progress made in developing the cooperative debt strategy, in particular building on the United States initiative. The role of the international financial institutions, including the multilateral development banks, will continue to be central, and we welcome moves for closer cooperation among these institutions, and particularly between the IMF and the World Bank. Sound adjustment programmes will also need resumed commercial bank lending, flexibility in rescheduling debt and appropriate access to export credits.

11. We welcome the improvement which has occurred in the food situation in Africa. Nonetheless a number of African countries continue to need emergency aid, and we stand ready to assist. More generally, we continue to recognize the high priority to be given to meeting the needs of Africa. Measures identified in the Report on Aid to Africa adopted and forwarded to us by our Foreign Ministers should be steadily implemented. Assistance should focus in particular on the medium- and long-term economic