

May 8

Administration of Jimmy Carter, 1977

and assist member countries in adopting policies which will limit payments deficits and warrant their financing through the private markets. These resources should be used with the conditionality and flexibility required to encourage an appropriate pace of adjustment.

This IMF proposal should facilitate the maintenance of reasonable levels of economic activity and reduce the danger of resort to trade and payments restrictions. It demonstrates co-operation between oil-exporting nations, industrial nations in stronger financial positions, and the IMF. It will contribute materially to the health and progress of the world economy. In pursuit of this objective, we also reaffirm our intention to strive to increase monetary stability.

We agreed that the international monetary and financial system, in its new and agreed legal framework, should be strengthened by the early implementation of the increase in quotas. We will work towards an early agreement within the IMF on another increase in the quotas of that organization.

Trade

We are committed to providing strong political leadership for the global effort to expand opportunities for trade and to strengthen the open international trading system. Achievement of these goals is central to world economic prosperity and the effective resolution of economic problems faced by both developed and developing countries throughout the world.

Policies on protectionism foster unemployment, increase inflation and undermine the welfare of our peoples. We are therefore agreed on the need to maintain our political commitment to an open and non-discriminatory world trading system. We will seek both nationally and through the appropriate international institutions to promote solutions that create new jobs and consumer benefits through expanded trade and to avoid approaches which restrict trade.

The Tokyo Round of multilateral trade negotiations must be pursued vigorously. The continuing economic difficulties make it even more essential to achieve the objective of the Tokyo Declaration and to negotiate a comprehensive set of agreements to the maximum benefit of all. Toward this end, we will seek this year to achieve substantive progress in such key areas as:

(i) a tariff reduction plan of broadest possible application designed to achieve a substantial cut and harmonization and in certain cases the elimination of tariffs;

(ii) codes, agreements and other measures that will facilitate a significant reduction of non-tariff barriers to trade and the avoidance of new barriers in the future and that will take into account the structural changes which have taken place in the world economy;

(iii) a mutually acceptable approach to agriculture that will achieve increased expansion and stabilization of trade, and greater assurance of world food supplies.

Such progress should not remove the right of individual countries under existing international agreements to avoid significant market disruption.

While seeking to conclude comprehensive and balanced agreements on the basis of reciprocity among all industrial countries we are determined, in accordance with the aims of the Tokyo Declaration, to ensure that the agreements provide special benefits to developing countries.