

WSHFO 108/17

DD 180445Z FCO

GRS 350
UNCLASSIFIED
DESKBY 180445Z
FM WASHINGTON 172315Z JAN 85
TO IMMEDIATE FCO
TELEGRAM NUMBER 152 OF JANUARY

FROM LITTLER FOR NO. 10 DUTY CLERK

FOLLOWING IS TEXT OF ANNOUNCEMENT ISSUED TO PRESS BY DON REGAN
IMMEDIATELY AFTER G5 MEETING THIS AFTERNOON.
BEGINS

THE MINISTERS OF FINANCE AND CENTRAL BANK GOVERNORS OF FRANCE,
GERMANY, JAPAN, THE UNITED KINGDOM, AND THE UNITED STATES ANNOUNCED
TODAY THAT THEY HAD MET TO DISCUSS A RANGE OF INTERNATIONAL
ECONOMIC AND FINANCIAL ISSUES. THE MEETING, PART OF A REGULAR
SERIES OF CONSULTATIONS AMONG THESE COUNTRIES ON ECONOMIC AND
FINANCIAL MATTERS OF MUTUAL INTEREST, ALSO INVOLVED IMF MANAGING
DIRECTOR DE LAROSIERE FOR A DISCUSSION OF THE ECONOMIC POLICIES
AND PROSPECTS OF THE MAJOR INDUSTRIAL COUNTRIES.

THE MINISTERS AND GOVERNORS, NOTING THE RECENT DEVELOPMENTS
IN THE EXCHANGE MARKETS, EXPRESSED THEIR COMMITMENT TO WORK
TOWARD GREATER EXCHANGE MARKET STABILITY. TOWARD THIS END, THE
MINISTERS AND GOVERNORS:

—REAFFIRMED THEIR COMMITMENT TO PUPSUE MONETARY AND
FISCAL POLICIES THAT PROMOTE A CONVERGENCE OF ECONOMIC
PERFORMANCE AT NON-INFLATIONARY, STEADY GROWTH;

—STRESSED THE IMPOPTANCE OF REMOVING STRUCTURAL RIGIDITIES
IN THEIR ECONOMIES TO ACHIEVING THE OBJECTIVES OF
NON-INFLATIONARY, STEADY GROWTH AND EXCHANGE MARKET
STABILITY, AND EXPRESSED THEIR INTENT TO INTENSIFY
EFFORTS IN THIS AREA; AND

—IN LIGHT OF RECENT DEVELOPMENTS IN FOREIGN EXCHANGE
MARKETS, REAFFIRMED THEIR COMMITMENT MADE AT THE
WILLIAMSBURG SUMMIT TO UNDERTAKE COORDINATED INTERVENTION
IN THE MARKETS AS NECESSARY.

THE MINISTERS AND GOVERNORS BELIEVE THAT THIS APPROACH WILL
PROVIDE A SOLID FRAMEWORK FOR SUSTAINING RECOVERY, REDUCING
INFLATION, INCREASING EMPLOYMENT, AND ACHIEVING GREATER EXCHANGE
RATE STABILITY.

ENDS

FCO PLEASE PASS IMMEDIATE DESKBY 04.45Z TO NO. 10 DUTY OFFICER
AND TO PS/FOREIGN SECRETARY.

AND DESKBY 03.00Z TO PS/CHANCELLOR, SIR P. MIDDLETON, MR.
CASSELL, MR. LAVELLE (HM TREASURY), PS/GOVERNOR, MR. LOEHNIS,
MR. GAILL AND MR. BYATT (BANK OF ENGLAND)

WRIGHT

X D/B ~~180445Z~~ → PS: ~~NSP~~ } Monetary Policy file
X D/B 180445Z → No 10. Duty Officer
X D/B 180445Z → PS/Chancellor }
Sir P. MIDDLETON
MR CASSELL
MR LAVELLE }
PS/Governor }
MR LOEHNIS }
MR GAILL }
MR BYATT }
[RC]

(X9)