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THE PRIME MINISTER

20 August 1990

Dear Secretary-General.

Thank you for your letter of 28 June. I was grateful for your views on important economic and social issues in advance of the Economic Summit.

You will have seen from the Economic Declaration adopted on 11 July that the issues in your letter were discussed in Houston. We made clear in paragraph 48 of the Declaration that the commitment of the G7 countries to the developing world will not be weakened by our support for the reforming countries in central and eastern Europe, and that the poorest of the developing countries must remain the focus of special attention.

In the Declaration we also said that one of the major ways in which the industrialised countries can help the developing countries is to sustain their own economic growth and to keep their own markets open. We welcomed the fact that many developing countries now accept that market-oriented policies stimulate growth, as do foreign investment and open, democratic and accountable political systems. We noted that the industrialised countries could give financial and technical help to developing countries undertaking genuine political and economic reform. We agreed that the industrialised nations should continue to try to enhance their development aid and other forms of help to the developing countries, and reinforce the effectiveness of their aid.

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We also discussed Third World debt and undertook to study Signor Craxi's report. We recorded our support for the strengthened international debt strategy, and the Declaration pointed to innovations in the case-by-case approach which are potentially available to all debtor countries with serious debt servicing problems and which are implementing strong reform programmes. In particular, we encouraged the Paris Club to lengthen repayment periods for lower middle-income countries implementing such programmes, and to review the implementation of the existing options that apply to the poorest countries.

All of these issues will continue to need our attention. I share your hope that the Second United Nations Conference of the Least Developed Countries in Paris in September will make a further contribution to tackling these problems, and to elaborating an effective strategy for the Fourth United Nations Development Decade.

Yours sincerely
Margaret Thatcher

His Excellency Senor Javier Perez de Cuellar



Foreign and Commonwealth Office

London SW1A 2AH

10 August 1990

Jean Charles,

Houston Economic Summit: Letter to the UN
Secretary-General

The UN Secretary-General sent a message to the Prime Minister in advance of the Houston Economic Summit setting out his views on some of the economic and social issues which the Summit was expected to discuss (Simon Gass' letter of 4 July to you). You agreed, in your letter of 4 July, that the Prime Minister should reply after the Summit. *map*

/ I enclose a draft reply.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street

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DRAFT FOR SIGNATURE BY THE PRIME MINISTER

His Excellency Mr Javier Perez de Cuellar
U N Secretary General
NEW YORK

T. M.

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