

Text of G5 Communique *

January, 1985.

The Ministers of Finance and Central Bank Governors of France, Germany, Japan, the UK and the US 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, Jacques 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:

1. reaffirmed their commitment to pursue monetary and fiscal policies that promote a convergence of economic performance at non-inflationary steady growth;
2. Stressed the importance 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;
3. And in light of recent developments in foreign exchange markets, reaffirmed the commitment made at the Williamsburg Summit to undertake co-ordinated 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 stability.

* (The text of this communique was provided by The Treasury Press Office, H.M. Treasury, London).