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DEVELOPMENT AND INTERNATIONAL
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ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1985
Item 3 of the provisional
agenda**
GENERAL DISCUSSION OF
INTERNATIONAL ECONOMIC AND
SOCIAL POLICY, INCLUDING
REGIONAL AND SECTORAL
DEVELOPMENTS

Letter dated 18 March 1985 from the Minister, Chargé d'Affaires a.i.
of the Permanent Mission of Uruguay to the United Nations addressed
to the Secretary-General

Uruguay, acting as Secretariat Pro Tempore of the Cartagena Consensus countries, has the honour to request you to arrange for the Final Communiqué of the Third Ministerial Meeting of the Consultation and Follow-Up Machinery of the Cartagena Consensus countries, annexed hereto, to be circulated as an official United Nations document, under item 84 of the preliminary list of the General Assembly and item 3 of the provisional agenda of the second regular session of 1985 of the Economic and Social Council.

The aforementioned meeting, held at Santo Domingo, in the Dominican Republic, on 7 and 8 February 1985, was attended by the Ministers responsible for the financial affairs of the countries signatories to the Cartagena Consensus, namely, Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Mexico, Peru, Uruguay and Venezuela.

(Signed) Humberto GOYEN ALVEZ
Minister
Chargé d'Affaires a.i.

* A/40/50 and Corr.1.

** See Economic and Social Council decision 1985/101.

Annex

THIRD MINISTERIAL MEETING OF THE CONSULTATION AND FOLLOW-UP
MACHINERY OF THE CARTAGENA CONSENSUS

COMMUNIQUE OF SANTO DOMINGO, 7-8 FEBRUARY 1985

1. Assembled in Santo Domingo on 7 and 8 February 1985 at the Third Ministerial Meeting of the Consultation and Follow-up Machinery established by the countries signatories to the Cartagena Consensus, the Ministers of Finance of Argentina, Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Mexico, Peru, Uruguay and Venezuela considered the developments that had taken place since their meeting in Mar del Plata in September 1984, with a view to pursuing and updating the strategies for joint action embodied in the Cartagena Consensus and the Mar del Plata Communiqué.
2. They listened with deep interest to the statement made by His Excellency President Salvador Jorge Blanco at the opening meeting of the Third Ministerial Meeting, recognizing the concerns of his Government and the importance of the questions mentioned for the economy and people of the Dominican Republic.
 - A. New considerations
3. In recent months some Latin American countries have concluded with the international financial community programmes for the restructuring of their external debts.
4. The terms and conditions incorporated in those restructurings must be extended to the countries which are currently renegotiating their debts and constitute minimum conditions for new negotiations, bearing in mind the indications contained in the Cartagena Consensus.
5. Nevertheless, these debt restructurings are not sufficient and merely postpone the problem, since negotiations with the commercial banks, by their very nature, provide no opportunity to take up questions of broader scope such as the joint responsibility of debtors and creditors, balanced adjustment, the implications for the development of the debtor countries and the evolution of the international economy, international trade and international finance, which would make it possible to find a permanent solution to the debt problem.
6. The persistent application of stringent adjustment programmes has continued to entail, in general, a drastic reduction of the material levels of living and well-being of the broad mass of the Latin American population.
7. In many countries, it has not been possible to reduce unemployment and the level of domestic economic activity has declined. Social tensions have reached critical levels, owing to the scope and rapidity of the adjustment processes

applied. In many cases, the efforts of the coming years will only make it possible to regain the levels of per capita output and income and the quality of life already achieved 10 years before.

8. The economic recovery of the industrialized countries has not spread to the Latin American countries; on the contrary, it has accentuated in the former countries the application of protectionist measures and the restriction of trade and financing.

9. The transfer of financial resources became negative for the region, amounting to an estimated \$55,000 million in the past two years.

10. Interest rates have recently declined, but this trend has not been consolidated, since in many countries there still exist the factors which create an increased demand for credit and inflationary pressures that can produce a new rise in interest rate levels.

B. Political dialogue

11. The Ministers consider it essential to reiterate firmly their belief that there can be no stable and permanent solution to the external debt problem unless the Governments of debtor and creditor countries agree on an appropriate political framework for these questions as a whole.

12. Consequently, it is essential to overcome certain reservations expressed by some Governments in order to engage in a political dialogue. If this dialogue is not accepted, there will be a serious risk not only of financial and economic instability but also of social and political instability throughout the region.

13. In accordance with the foregoing, the Ministers decided on the following course of action:

(a) To present to the forthcoming meetings of the Interim Committee of the International Monetary Fund (IMF) and the World Bank-IMF Development Committee, on 17 and 18 April 1985, a joint position based on the agreement reached in Santo Domingo, that will be disseminated and presented to the aforementioned bodies after being communicated to the Group of 24;

(b) After those meetings, to approach the Governments of the main creditor countries, with a view to formalizing the invitation to engage in a political dialogue;

(c) To make a joint approach to the industrialized countries participating in the forthcoming Bonn meeting, placing before them proposals for dealing with the external debt problem in its various aspects;

(d) To draw the attention of international public opinion to the magnitude of the problem and to the serious consequences that might ensue if it is not dealt with in an appropriate political framework;

(e) The proposed political dialogue should encompass not only the aspects relating exclusively to the refinancing of the debt but also the proposals contained in the Cartagena Consensus. To that end, the studies to be presented will be carried out and the items to be considered will be formulated.

C. Follow-up

14. These actions will be evaluated and others initiated at another meeting of the Cartagena Consensus, the date of which will be determined by consultation immediately after the meetings of the IMF Interim Committee and the World Bank-IMF Development Committee in April 1985.

15. Following this meeting, the Eastern Republic of Uruguay will continue to act as Secretariat Pro Tempore.