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AND INCREASING THE EFFECTIVENESS OF SUCH CO-OPERATION

Letter dated 23 October 1989 from the Permanent Representatives of
Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela
to the United Nations addressed to the Secretary-General

We have the honour to transmit to you the text of the Ica Declaration and Communiqué issued on 12 October 1989 by the Presidents of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela at the Third Meeting of the Permanent Mechanism for Consultation and Concerted Political Action (see annexes I and II).

We should be grateful if you would have this note and the texts of the Declaration and Communiqué circulated as official documents of the General Assembly, under agenda items 28, 33, 34, 35, 36, 44, 63 (b), (d), (g), (h) and (m), 64 (b), 73, 82, 84, 85, 90, 111, 139, 140, 152 and 157.

(Signed) Jorge VASQUEZ
Ambassador
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(Signed) Felipe Héctor PAOLILLO
Ambassador
Permanent Representative of Uruguay
to the United Nations

(Signed) Andrés AGUILAR
Ambassador
Permanent Representative of Venezuela
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ANNEX I

Declaration issued on 12 October 1989 at Ica, Peru, by the Presidents of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela at the Third Meeting of the Permanent Mechanism for Consultation and Concerted Political Action

The Heads of State of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela, meeting in the city of Ica, Peru, on 11 and 12 October 1989, held the Third Presidential Meeting of the Permanent Mechanism for Consultation and Concerted Political Action and adopted the following:

ICA DECLARATION

I. LATIN AMERICA AND THE INTERNATIONAL POLITICAL AND ECONOMIC SITUATION

1. During the year that has gone by since the Second Presidential Meeting at Punta del Este, Uruguay, the positive trends in international relations, have gained ground as evidenced by the growing understanding between the super-Powers, the subsequent easing of tension and an increase in the multilateral approach towards the settlement of regional conflicts.
2. We aspire to a world that is increasingly open and interdependent, and free of ideological inflexibility. We cannot agree with the tendency to divide the world into spheres of influence, nor do we believe that the détente which exists today between the super-Powers should give rise to new hegemonistic designs that would prevent the necessary democratization of the international system.
3. Latin America has an important role to play in the creation of a new world order. The maintenance of peace and security in the region has clear global and intraregional implications. There is an urgent need to restate the traditional concepts of global and regional security, bearing in mind the economic and social factors involved.
4. Our continent is becoming more deeply affected by a process of change that is characterized by democratization, efforts to promote social justice and the modernization of the production apparatus, and the emergence of new forms of concerted political action at the intraregional level.
5. However, the move towards democracy and the increase in political participation in Latin America still lack a sound economic foundation. While recognizing the need for efforts to be made within the countries themselves, the region is still exposed to the negative impact of some of the economic policies pursued by highly industrialized countries.

II. DEMOCRACY AND DEVELOPMENT IN LATIN AMERICA

6. Throughout their history, with variations depending on the situation in each country - our peoples, who share the ideals of unity, development and solidarity, have fought to achieve and strengthen democratic systems of government that have become increasingly equitable and are better able to meet the political, social and economic demands of the people. In this regard, Latin American democracy has promoted social change and fostered the inclusion of broad sectors of the population into the political process. We therefore intend to strengthen the institutional development of democracy on the basis of respect for the sovereign will of the people to promote social justice and human rights in all their aspects.

7. We note that the consolidation of democracy in Latin America is taking place under the threat of a persistent and profound socio-economic crisis. Democracy, in and of itself, does not guarantee development. Nor does economic growth necessarily guarantee freedom and democracy. In Latin America, democracy is threatened by international economic disequilibria and the debt crisis, as a result of which the economies of the region have become the sources of a net transfer of financial resources abroad. Now, more than ever before, democracy and development require solidarity and effective support at the international level.

III. SECURITY ASPECTS

Illicit drug trafficking and drug abuse

8. We reiterate our firm determination to fight the illicit trafficking in and abuse of narcotic drugs and psychotropic substances. We undertake to co-ordinate policies and methods aimed at strengthening our efforts to combat this problem, with due respect for national sovereignty.

9. These activities can be eliminated only through a comprehensive approach, co-ordination between producer and consumer countries and the drawing up of specific proposals. We attach the utmost importance to the fact that some countries where demand for drugs is high have expressed their determination to deal effectively with the problem.

10. We wish to stress the need for international co-operation in:

(a) Monitoring transfers of capital and of goods, in order to prevent the use of the international financial market to launder profits from illicit drug trafficking;

(b) Monitoring the international trade in precursors and essential chemical products, equipment and materials used in the production of these substances;

(c) Exchanging experiences relating to methods and technologies in the areas of prevention, treatment, rehabilitation and the reintegration of drug addicts into society, as well as basic and specialized training of personnel.

11. We undertake to work for the ratification of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances in order to expedite its entry into force.

12. We condemn the criminal violence associated with illicit drug trafficking, which is aggravated in several cases by the connections between drug trafficking and terrorist and subversive groups, a situation which poses a threat to the stability of democratic systems.

13. We support the convening of a special session of the United Nations General Assembly to consider the drug problem. We also look forward to the forthcoming ministerial meeting on the consumption and production of illicit traffic in narcotics and psychotropic substances to be held under the auspices of the Organization of American States (OAS). We also support the United Kingdom initiative for the convening, in co-ordination with the United Nations, of a major international conference for the purpose of considering, inter alia, the reduction of illicit drug demand.

14. We express our firm support for the people and Government of Colombia in the important struggle they have undertaken against drug trafficking and offer them our fullest support. To this end, we have instructed our Ministers concerned with this matter to identify actions which can be taken immediately.

Terrorism

15. We reaffirm our condemnation of terrorism. Terrorism constitutes a systematic and deliberate violation of human rights, undermines the stability of the democratic system, and causes loss of life and heavy material damage. Terrorism is a threat to peace and security and affects the normal conduct of relations between States. It calls for the strengthening of the machinery for international co-operation to prevent and eliminate it.

Clandestine traffic in arms

16. Democratic institutions and regional security can be seriously threatened by the action of groups which obtain arms in the world's clandestine markets and promote violence, terrorism, mercenarism and subversion. We therefore appeal to all States to shoulder their responsibilities by adopting effective measures and controls to halt the growing clandestine traffic in arms. We also request international and regional bodies to give special attention to this matter.

Central America

17. We express our satisfaction at the outcome of the meeting of Central American Presidents held at Tela, Honduras, which has helped to strengthen the process aimed at establishing a firm and lasting peace in the Central American region.

18. We support the political will for dialogue and reconciliation demonstrated since the Central American summit and the resulting efforts to ensure that the agreements which have been signed are effectively carried out. We reaffirm our belief in a Latin American solution to the crisis and call on all interested parties in bringing peace to Central America to direct their actions towards a final solution to this regional crisis and to refrain from providing any assistance or taking any action that could hamper this process.

19. Towards that end, we support and encourage the establishment of international observer groups by the United Nations and the Organization of American States, as requested by the five Central American Presidents, for the purpose of ensuring the effective fulfilment of the commitments undertaken by them.

20. We pledge to redouble our efforts in support of the Special Plan of Economic Co-operation for Central America approved by the United Nations General Assembly in March 1988 by strengthening our co-operation projects with those countries on the basis of the guidelines contained in the Acapulco Commitment.

To that end, we have instructed our Ministers for Foreign Affairs to review the status of such co-operation and to draw up a timetable for specific and concerted actions benefiting those countries.

We also urge the international community to redouble its efforts in favour of economic recovery in Central America, which is an urgent and essential factor in ensuring peace and prosperity.

The situation in the South Atlantic

21. We express our satisfaction at the imminent resumption of negotiations between Argentina and the United Kingdom, to be held at Madrid, Spain, on 17 and 18 October 1989, which will promote the objectives of the declaration of the zone of peace and co-operation of the South Atlantic. We also reiterate our support for the Argentine Republic's legitimate rights of sovereignty.

Regional economic assistance

22. We express our intention to strengthen regional economic security through the establishment of effective machinery to facilitate mutual support and solidarity among the countries of the region in the event of emergencies resulting from serious and unforeseen circumstances.

Fight against poverty

23. Poverty is a great social injustice and poses a potential threat to the stability of our countries. The eradication of poverty is a global, objective and urgent necessity. Consequently, we resolutely undertake to continue our fight to overcome poverty and shall support any relevant decision adopted both within the United Nations and in other international and regional forums.

A substantial increase in the transfer of resources for development and international co-operation would also help to eradicate poverty.

IV. EXTERNAL DEBT AND INTERNATIONAL TRADE

External debt

24. The external indebtedness of Latin America continues to be one of the most serious problems facing our region. Its effects in terms of serious deterioration in the social, political and economic spheres are being felt with alarming frequency and a speedy and appropriate solution is called for. The stability and consolidation of the democracies in the region will continue to depend to a great extent on such a solution.

25. The primary objective of sound and sustained economic growth through the application of appropriate fiscal, monetary, external and anti-inflationary policies cannot be achieved unless a definitive solution is found to the debt problem. In particular, the net transfer of resources resulting from repayments on the public external debt must be adjusted to the fiscal situation of each economy in order to avoid creating a new cause of inflation in the countries of the continent.

26. Recognizing a market reality, debt and/or debt-service reduction has a fundamental role to play in the solution of this problem. New debt and debt-service reduction schemes must apply without discrimination to those debtors which require them. At the same time, the continued availability of financing for economic and social development must be ensured.

27. In the specific case of heavily indebted middle-income countries, in particular those that have not restructured their debt but have been making efforts to meet their debt-service obligations with a view to a gradual normalization of their relations with the international financial system, the international community must provide urgent and equitable debt relief through solutions tailored to each individual case.

28. The international financial institutions and the official agencies must be a source of positive net transfers to the region. In addition to supporting development efforts, it is necessary to alleviate arrears problems, which must be solved through a constructive approach by all the parties involved. Special attention must be given to the cases of countries that are highly indebted to these sources of finance. For that purpose, we recommend that mechanisms for the timely re-establishment of new credit flows should be sought as a matter of urgency.

29. The aim of intervention by the international financial institutions in debt and debt-service reduction schemes is to facilitate their implementation or strengthen their impact. Consequently, there is no justification for the adoption of rigid eligibility and operational criteria by those institutions, which hinders rather than facilitates such operations.

30. We, the Heads of State, have instructed our Ministers of Finance to continue to meet periodically in order to co-ordinate measures leading to full

implementation of the relevant guidelines. Towards that end the measures referred to in annex I to this document should be adopted.*

Latin American intraregional debt

31. We, the Heads of State, are convinced that any adequate solution to the problem of the Latin American intraregional debt must take into account the link between debt, finance and trade, and must give an impetus to our efforts in the sphere of economic co-operation and integration.

32. On the basis of the guidelines and mechanisms for the treatment of Latin American intraregional public debt that were approved at the meeting of Ministers of Finance in December 1988, which appear as annex II to this Declaration,* and which were further developed at the technical meeting held in August 1989, we have decided to promote a new voluntary procedure for negotiations between debtors and creditors (the Rio Club) which will make possible innovative arrangements that will create the conditions necessary to enable debtors to meet their obligations and restore the conditions for financing in support of the process of regional integration and co-operation. Rio de Janeiro, Brazil, will be the headquarters of the secretariat responsible for compiling and disseminating information on the application of the relevant guidelines and on arrangements in which our countries participate.

33. Similarly, adequate consideration will have to be given to the Latin American intraregional private debt.

34. In view of the fact that the subject of the Latin American intraregional debt is to be studied at the regional conference on external debt to be held under the auspices of SELA in March 1990, we have instructed our Ministers of Finance to present, in the context of that meeting and on the basis of the established guidelines, proposals for promoting an exchange of views among all the countries of Latin America and the Caribbean and the drawing up of specific measures.

35. We stress the importance of the Inter-American Development Bank and the Centre for Latin American Monetary Studies preparing and implementing the information system on Latin American intraregional debt deriving from the mandate of the Uruguay Declaration.

36. We stress the need for the Inter-American Development Bank to channel resources to support the efforts to reduce the Latin American intraregional debt.

International trade

37. The debt-trade linkage must be recognized in negotiations on debt and debt-service reduction, and in negotiations aimed at increasing international

* The annexes to the Declaration were received and are available for consultation in the files of the Secretariat.

trade. Without an expansion in our exports there can be no solution to the external debt problem that is placing such a severe strain on our economies.

38. The participation of our countries in international trade continues to be hampered by protectionism and policies for the subsidization of production and exports, particularly farm products, and also by macro-economic imbalances in some highly industrialized countries.

39. There is also the persistence of unilateral restrictions based on the national legislation of some highly developed countries, many of which infringe existing multilateral agreements, while others hinder legitimate access to the most advanced technologies. We urge those countries to eliminate all such measures with a view to promoting an international trading system that is fair, transparent and predictable.

40. The Uruguay Round provides an exceptional opportunity to remove the obstacles to the expansion of our exports and imports. We again stress the validity and full applicability of the principle of special and more favourable treatment for the developing countries, which must be made effective through specific measures in each and every area of negotiation in the Uruguay Round.

V. REGIONAL INTEGRATION

41. Latin American integration is a political aim and fundamental objective of the economic strategy of the countries of the region. To advance in that direction, we must update the arrangements and consider options not only in trade matters, but also in other fields, such as telecommunications and transport, scientific and technological co-operation, and culture.

Economic integration

42. The new orientation of the Latin American economy must make it possible to increase our capacity to compete with the rest of the world. Efforts towards integration also seek fuller participation by Latin America in the international economy.

43. In order to achieve these aims of economic integration it is necessary to create the objective conditions which will increase trade, bring about complementarity, generate joint investment and increase exchanges between our countries. Such conditions must be achieved through a progressive harmonization of economic policies, ensuring that our countries share equitably both the costs and the benefits of the integration process. Countries with persistent surpluses must make a resolute effort to overcome trade imbalances dynamically. Similarly, co-ordinated programmes must be prepared in order to broaden the export output of the countries as a whole.

44. We welcome the advance towards integration evidenced by important new subregional agreements.

45. ALADI is the body that provides the institutional framework for regional integration. We must critically review the approaches and criteria applied in ALADI in order to streamline the machinery for negotiation, making them more flexible and more responsive to the requirements of the current situation.

46. Financing is essential for integration. Innovative approaches are called for, including the possibilities offered by the treatment of the Latin American intraregional debt, in order to mobilize increased resources. We have instructed our Ministers of Finance to draw up a programme in this area for the first half of 1990.

Communications and transport

47. The modernization of telecommunications and transport is a strategic objective in seeking to give impetus to integration and improve our competitiveness. We must make better use of our infrastructure by avoiding duplication, taking advantage of opportunities for joint procurement in order to secure better purchase terms, harmonize our countries' regulatory schemes and foster similar positions in the negotiations on services in international forums.

48. We have instructed the Ministers of Communications and Transport to continue the work begun at the meeting held in Mexico on 4 and 5 September 1989.

Cultural integration

49. We reaffirm our commitment to make a concerted effort to preserve, enrich and disseminate our respective cultures with a view to strengthening awareness of our collective identity and cultural diversity.

50. In addition to working on projects to secure free circulation of cultural goods and services, measures will be taken to develop cultural channels, programmes of scholarships for artistic and vocational training, and to facilitate meetings of artists and other workers in creative fields; and appropriate mechanisms will be established to promote Latin American culture in the areas of music, the cinema and television, the visual arts, literature, the theatre and the humanities. We have agreed to take immediate measures to facilitate the production, transportation, distribution and consumption of books and films, as a matter of priority; such measures constituting the basis for a common market.

51. We have instructed our Ministers responsible for culture to pursue the specific measures drawn up at their meeting in Caracas, Venezuela, on 17 September 1989.

Science and technology

52. We again stress that co-operation in the areas of science and technology must play a central role in the process of integration. In order to translate that objective into reality, a small number of priorities must be identified with a view to channelling international co-operation towards those priorities. For that purpose, we have decided to convene a meeting of ministers or other officials responsible for those areas.

VI. ENVIRONMENT

53. We reiterate our concern at the deterioration of the global environment. We also declare our firm commitment to continue to adopt the measures within our power for the rehabilitation and sustained conservation of the environment. The main cause of this alarming deterioration is to be found in the models of industrialization and patterns of consumption of the developed countries. In recognition of their responsibility for this problem and also of the greater amount of resources available to them, those countries should bear the largest share of the costs of reversing the processes which endanger the environmental equilibrium of our planet, such as the destruction of the ozone layer, induced climatic changes - especially as a result of the incomplete burning of fossil fuels - and the environmentally unsound management of hazardous wastes and their transfer to developing countries.

54. In our region, the degradation of the environment is closely linked with poverty and underdevelopment. Development and the economic revitalization of our countries and their free access to scientific and technological knowledge could form the framework for adopting policies to promote social welfare, the rational use of resources and environmental protection.

55. We express our readiness to continue to broaden regional co-operation in the area of the environment as well as to co-operate with countries from outside the region and with international institutions in a position to contribute to the implementation of projects and programmes for the protection and conservation of the environment, in accordance with our Governments' priorities and our sovereign right to manage our natural resources in a rational manner.

56. In reiterating our commitment not to acquire or produce nuclear weapons or other weapons of mass destruction, we reaffirm that the very existence of such weapons and their further development constitute the most serious threat to the environment and to the very existence of mankind.

VII. CONCERTED POLITICAL AND ECONOMIC ACTION

57. We commit ourselves to endeavour to strengthen the Organization of American States as the appropriate political forum for a new era of dialogue and understanding in the hemisphere, and we urge all member countries to make full use of its mechanisms.

58. It is our aspiration that the membership of the Organization of American States should include all the countries of the hemisphere in order to enhance that Organization's political influence. We make a friendly appeal to the Governments of Belize, Canada, Cuba and Guyana to become full participants in the work of the Organization in due course.

59. We commit ourselves to work together for the success of the special session of the United Nations General Assembly devoted to international economic co-operation, in particular to the revitalization of economic growth and development in the

developing countries, and to intensify our efforts to strengthen the Council of the Latin American Economic System as a forum for concerted economic co-ordination and regional co-operation.

60. We note with satisfaction that the dialogue begun by the Mechanism with other States and groups of States has become stronger. We reiterate our readiness to continue the dialogue with the European Community, the Nordic Council, Canada and Japan, and to begin similar periodic meetings with other regions and States of the world.

VIII. VENUE OF THE NEXT MEETING

61. We have agreed to meet in Venezuela during the second half of 1990.

62. The Presidents of Argentina, Brazil, Colombia, Mexico, Uruguay and Venezuela express their sincere thanks to the Government and people of Peru for their warm hospitality during the Third Presidential Meeting of the Permanent Mechanism for Consultation and Concerted Political Action.

Carlos Saul MENEM
President of the Argentine Republic

José SARNEY
President of the Federative
Republic of Brazil

Virgilio BARCO
President of the Republic of Colombia

Carlos SALINAS DE GORTARI
President of the United Mexican States

Alan GARCIA
President of the Republic of Peru

Julio María SANGUINETTI
President of the Eastern Republic
of Uruguay

Carlos Andrés PEREZ
President of the Republic of Venezuela

ANNEX II

Communiqué issued on 12 October 1989 at Ica, Peru, by the Presidents of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela on the occasion of the Third Presidential Meeting of the Permanent Mechanism for Consultation and Concerted Political Action

The heads of State of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela, meeting at Ica, Peru, on 11 and 12 October 1989, held the Third Presidential Meeting of the Permanent Mechanism for Consultation and Concerted Political Action and adopted the following:

COMMUNIQUE

I. THE INTERNATIONAL POLITICAL AND ECONOMIC SITUATION

1. Two years ago, we met at Acapulco in order to make the Group of Eight a reality. The world situation at that time was very different than it is today: confrontations, world conflicts and Central America on the brink of violent interventions.
2. We are encouraged to note today the beginnings of a climate of détente and the prospect of a long period of peace for mankind.
3. The United States and the Soviet Union are getting along together. The troops are leaving Afghanistan. There are genuine peace negotiations in Namibia, Angola and southern Africa as a whole; unfortunately, the execrable apartheid régime remains untouchable. Central America is moving towards a situation of decreased tension and a search for solutions.
4. Our mechanisms, such as Contadora, Cartagena and the Rio Group have followed the problems closely and have demonstrated foresight by creating conditions for negotiation.
5. There is a new climate in the world. We would like that climate to reach Latin America.
6. Progress in solving the debt problem has been slow in a number of countries, thereby posing an ever-growing threat to their progress and well-being. The solutions proposed for those countries have been insufficient.

Latin America has lost ground, and our current per capita products are lower than they were in 1980.

7. The Group has developed a presidential diplomacy, strengthened and sustained democracy, avoided conflicts and promoted integration policies. Today it is a strong mechanism, capable of taking decisions.

II. DEMOCRACY AND DEVELOPMENT IN LATIN AMERICA

8. Throughout their history - with variations depending on the situation in each country - our peoples, who share the ideals of unity, development and solidarity, have fought to achieve and strengthen democratic systems of government that have become increasingly equitable and are better able to meet the political, social and economic demands of the people. In this regard, Latin American democracy has promoted social change and fostered the inclusion of broad sectors of the population in the political process. We therefore intend to strengthen the institutional development of democracy on the basis of respect for the sovereign will of the people to promote social justice and human rights in all their aspects.

9. Unfortunately, the problem of Panama, with its lack of democracy and violations of human rights, persists. In the face of such circumstances, we have decided to confirm the suspension of the current Panamanian Government from the Group's deliberations.

The situation will be reviewed only if Panama returns to the respect for democratic guarantees, which today are absolutely unknown in that country. This indefinite suspension is based on reports of increasingly serious violations of human and political rights in Panama, which is why we will propose that the Organization of American States instruct the Inter-American Commission on Human Rights to investigate such violations.

10. We have also agreed to declare that respect for international law and the principle of non-intervention entails faithful compliance with the Torrijos-Carter Treaties on the Panama Canal.

III. SECURITY ASPECTS

Drug production and abuse and illicit trafficking

11. We affirm our commitment to fight with all the means at our disposal against the production and abuse of, and the illicit traffic in, narcotic drugs and psychotropic substances. We undertake to co-ordinate policies and methods aimed at strengthening our efforts to combat this problem, with due respect for national sovereignty.

Terrorism

12. We reaffirm our condemnation of terrorism. Terrorism constitutes a systematic and deliberate violation of human rights, undermines the stability of the democratic system and causes loss of life and heavy material damage.

Central America

13. We express our satisfaction at the outcome of the meeting of Central American Presidents held at Tela, Honduras, which has helped to strengthen the process aimed at the establishment of a firm and lasting peace in the Central American region. We especially value and support the political will for dialogue and reconciliation

demonstrated since the Central American summit, and the resulting efforts to ensure that the agreements which have been signed are effectively carried out. The present aim is to support economic recovery in the region.

The situation in the South Atlantic

14. We express our satisfaction at the imminent resumption of discussions between Argentina and the United Kingdom, which will promote the objectives of the declaration of the zone of peace and co-operation of the South Atlantic. We also reiterate our support for the Argentine Republic's legitimate rights of sovereignty.

IV. EXTERNAL DEBT AND INTERNATIONAL TRADE

External debt

15. The external indebtedness of Latin America continues to be one of the most serious problems facing our region. Its effects in terms of serious deterioration in the social, political and economic spheres are being felt with alarming frequency, and a speedy and urgent solution is called for.

16. For this reason it is all the more important that the Governments of developing countries should continue the efforts which some of them have already undertaken, and should promote tax and regulatory changes which would secure the necessary participation of banks in debt and debt-service reduction programmes, without unduly inhibiting flows of new resources.

17. It is therefore absolutely imperative that debtor countries be provided with a sufficient volume of resources by multilateral institutions and bilateral sources in order to enable them to repurchase and collateralize debt at a significant discount to underpin debt restructuring programmes and agreements. It is therefore particularly important to provide for a substantial replenishment of quotas in the International Monetary Fund (IMF) in order to strengthen the latter's financial capacity.

18. Some progress has been made in recent negotiations, but a lasting solution to the debt problem can be achieved only in the context of a policy based on the principle of shared responsibility leading to a substantial reduction in debt and debt-servicing taking into account the value of the debt in the secondary market, and the capacity to pay and development needs of each country.

Latin American intraregional debt

19. On the basis of the guidelines and mechanisms for the treatment of the Latin American intraregional public debt approved at the meeting of Ministers of Finance in December 1988, we have decided to advocate a new voluntary procedure for negotiations between debtors and creditors (the Rio Club) which will make possible innovative arrangements that will create the conditions necessary to enable debtors to meet their obligations.

International trade

20. The debt-trade linkage should be recognized in the negotiations with a view to reducing the debt and debt-servicing, as well as in the negotiations aimed at increasing international trade. Unless we expand our exports, we cannot hope to solve our external-debt problem, which is placing such a severe strain on our economies. The participation of the Latin American countries in international trade continues to be hampered by protectionism, subsidy policies and unilateral restrictions imposed by some developed countries. We urge those countries to remove those barriers.

V. REGIONAL INTEGRATION

21. Latin American integration is the political aim and fundamental objective of the economic strategy of the countries of the region.

We hereby direct our Ministers for Foreign and Economic Affairs, and our Ministers of Finance and of Planning to convene in Argentina on 4 and 5 December next for the purpose of preparing a draft programme of integration that will enable our countries to make substantial progress before 1992 in the following areas:

- (a) Substitution of tariffs for quantitative restrictions;
- (b) General tariff reduction at appropriate rates;
- (c) Removal of the physical obstacles to integration, particularly in the transport and communications sector;
- (d) Harmonization of the initiatives in progress;
- (e) Gradual harmonization of macro-economic policies;
- (f) Identification of specific economic complementarity projects;
- (g) Joint programmes of co-operation in science and technology.

Communications and transport

22. Modernization of telecommunications and transport is a strategic objective designed to give impetus to integration and improve our competitiveness.

We agree that within no more than 60 days, the Ministers and Secretaries of Communications and Transport shall meet in Rio de Janeiro for the purpose of drawing up agreements on communications and transport based on the preparatory meeting held in Mexico, in particular, on new technologies and satellite systems, and of considering proposals dealing with communications and transport systems that will further strengthen integration among the countries of the Mechanism.

Cultural integration

23. We reaffirm our commitment to make a concerted effort to preserve, enrich and disseminate our respective cultures with a view to strengthening awareness of our collective identity and cultural diversity.

We propose to establish Latin American Cultural Centres and within one year at most to eliminate customs duties impeding the free circulation of books among our countries. We shall also seek a reduction in shipping rates which will facilitate free circulation.

We direct our Ministers of Cultural Affairs or their equivalents to implement the cultural programme for integration that they developed at Caracas in September 1989.

VI. ENVIRONMENT

24. We reiterate our concern about the deterioration of the global environment. We further assert our determination to continue to adopt the measures within our power for its rehabilitation and sustained conservation.

25. The main cause of this alarming deterioration is to be found in the models of industrialization and patterns of consumption of the industrialized countries. In recognition of their responsibility, those countries should bear the largest share of the costs of reversing the processes which endanger the environmental equilibrium of our planet.

26. In our region, the degradation of the environment is closely linked with poverty and underdevelopment.

VII. ORGANIZATION OF AMERICAN STATES

27. In order for the Organization of American States (OAS) to be fully representative and, by that token, politically relevant, we make a friendly appeal to the Governments of Belize, Canada, Cuba and Guyana to become members. We condemn all forms of colonialism in Latin America.

VIII. VENUE OF THE NEXT MEETING

28. We have agreed to meet in Venezuela during the second half of 1990.

29. We endorse the Declaration drafted by our Ministers for Foreign Affairs in Trujillo, on which this communiqué is based.

30. We, the Presidents of Argentina, Brazil, Colombia, Mexico, Uruguay and Venezuela expressed our sincere appreciation to the Government and people of Peru for their warm hospitality during the Third Presidential Meeting of the Permanent Mechanism for Consultation and Concerted Political Action.

Carlos Saul MENEM
President of the Argentine Republic

José SARNEY
President of the Federative Republic
of Brazil

Virgilio BARCO
President of the Republic of Colombia

Carlos SALINAS DE GORTARI
President of the United States of Mexico

Alan GARCIA
President of the Republic of Peru

Julio María SANGUINETTI
President of the Eastern Republic of
Uruguay

Carlos Andrés PEREZ
President of the Republic of Venezuela
