

PARIS SUMMIT

14-16 July 1989

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COMMUNIQUÉ: ECONOMIC DECLARATION

16 July 1989

Introduction

1. We, the Heads of State or Government of seven major industrial nations and the President of the Commission of the European Communities, have met in Paris for the fifteenth annual Economic Summit. The Summit of the Arch initiates a new round of Summits to succeed those begun at Rambouillet in 1975 and at Versailles in 1982. The round beginning in 1982 has seen one of the longest periods of sustained growth since the Second World War. These Summits have permitted effective consultations and offered the opportunity to launch initiatives and to strengthen international cooperation.

2. This year's world economic situation presents three main challenges:

-The choice and the implementation of measures needed to maintain balanced and sustained growth, counter inflation, create jobs and promote social justice. These measures should also facilitate the adjustment of external imbalances, promote international trade and investment, and improve the economic situation of developing countries.

-The development and the further integration of developing countries into the world economy. Whilst there has been substantial progress in many developing countries, particularly those implementing sound economic policies, the debt burden and the persistence of poverty, often made worse by natural disasters affecting hundreds of millions of people, are problems of deep concern which we must continue to face in a spirit of solidarity.

-The urgent need to safeguard the environment for future generations. Scientific studies have revealed the existence of serious threats to our environment such as the depletion of the stratospheric ozone layer and excessive emissions of carbon dioxide and other greenhouse gases which could lead to future climate changes. Protecting the environment calls for a determined and concerted international response and for the early adoption, worldwide, of policies based on sustainable development.

International Economic Situation

3. Growth has been sustained by focusing policies on improving the efficiency and flexibility of our economies and by strengthening our cooperative efforts and the coordination process. In the medium term, the current buoyant investment seen during this period should pave the way for an increased supply of goods and services and help reduce the dangers of inflation. The outlook is not, however, without risks.
4. Until now, the threat of inflation in many countries has been contained, thanks to the concerted efforts of governments and monetary authorities. But continued vigilance is required and inflation, where it has increased, will continue to receive a firm policy response so that it will be put on a downward path.
5. While some progress has been made in reducing external imbalances, the momentum of adjustment has recently weakened markedly. There needs to be further progress in adjusting external imbalances through cooperation.
6. In countries with fiscal and current account deficits, including the United States of America, Canada and Italy, further reductions in budget deficits are needed. Action will be taken to bring them down. This may help reduce the saving-investment gap and external imbalances, contribute to countering inflation and encourage greater exchange rate stability in a context of decreasing interest rates.
7. Countries with external surpluses, including Japan and Germany, should continue to pursue appropriate macroeconomic policies and structural reforms that will encourage non-inflationary growth of domestic demand and facilitate external adjustment.
8. All our countries share the responsibility for the sound development of the world economy. Over the medium term, deficit countries have to play a key role in global adjustment through their external adjustment and increased exports; surplus countries have to contribute to sustaining global expansion through policies providing favourable conditions for growth of domestic demand and imports.
9. The emergence of the newly industrializing economies and the initiation of a dialogue with them are welcome. We call on those with substantial surpluses to contribute to the adjustment of external imbalances and the open trade and payments system. To that end, they should permit exchange rates to reflect their competitive position, implement GATT [General Agreement on Tariffs and Trade] commitments and reduce trade barriers.

International Monetary Developments and Coordination

10. Under the Plaza and Louvre agreements, our countries agreed to pursue, in a mutually reinforcing way, policies of surveillance and coordination aimed at improving their economic fundamentals and at fostering stability of exchange rates consistent with those economic fundamentals.

There has been progress in the multilateral surveillance and coordination of economic policies with a view to ensuring internal consistency of domestic policies and their international compatibility. The procedures to be used have been more clearly defined and improved in cooperation with the International Monetary Fund.

11. The coordination process has made a positive contribution to world economic development and it has also contributed greatly to improving the functioning of the International Monetary System. There has also been continued cooperation in exchange markets.

It is important to continue, and where appropriate, to develop this cooperative and flexible approach to improve the functioning and the stability of the International Monetary System in a manner consistent with economic fundamentals. We therefore ask the Finance Ministers to continue to keep under review possible steps that could be taken to improve the coordination process, exchange market cooperation, and the functioning of the International Monetary System.

12. We welcome the decision to complete the work on the ninth review of the International Monetary Fund quotas with a view to a decision on this matter before the end of the year.

We note that the question of a resumption of SDR allocation remains under consideration in the Executive Board of the International Monetary Fund.

13. Within the European Community, the European Monetary System has contributed to a significant degree of economic policy convergence and monetary stability.

Improving Economic Efficiency

14. We will continue to promote measures in order to remove inefficiencies in our economies. These inefficiencies affect many aspects of economic activity, reduce potential growth rates and the prospects for job creation, diminish the effectiveness of macroeconomic policies and impede the external adjustment process. In this context, tax reforms, modernization of financial markets, strengthening of competition policies and reducing rigidities in all sectors including energy, industry and agriculture are necessary. So are the improvement of education and vocational training, transportation and distribution systems and further policies aimed at giving more flexibility and mobility to the force market and reducing unemployment. Within the European Community, the steady progress towards the completion by the end of 1992 of the program contained in the Single [European] Act has already given a strong momentum to economic efficiency.

15. The decline of saving in some of our countries in this decade is a cause for concern. This lower level of saving can contribute to high real interest rates and therefore hamper growth. Inadequate saving and large fiscal deficits are associated with large external deficits. We recommend, within the framework of policy coordination, policies to encourage saving and remove hindrances where they exist.

16. Financial activities are being increasingly carried out with new techniques on a worldwide basis. As regards insider trading, which could hamper the credibility of financial markets, regulations vary greatly among our countries. These regulations have been recently, or are in the process of being, strengthened. International cooperation should be pursued and enhanced.

Trade Issues

17. World trade developed rapidly last year. Yet protectionism remains a real threat. We strongly reaffirm our determination to fight it in all its forms. We shall fulfil the Punta del Este standstill and rollback commitments which, inter alia, require the avoidance of any trade restrictive or distorting measure inconsistent with the provisions of the General Agreement and its instruments. We agree to make effective use of the improved GATT dispute settlement mechanism and to make progress in negotiations for further improvements. We will avoid any discriminatory or autonomous actions, which undermine the principles of the GATT and the integrity of the multilateral trading system. We also are pledged to oppose the tendency towards unilateralism, bilateralism, sectoralism and managed trade which threatens to undermine the multilateral system and the Uruguay Round negotiations.

18. The successful negotiation of the Trade Negotiations Committee of the Uruguay Round in Geneva last April, thereby completing the mid-term review, is a very important achievement. It gives a clear framework for future work in all sectors including the pursuit of agricultural reform in the short term as well as in the long term. It also gives the necessary framework for substantive negotiations in important sectors not yet fully included in GATT disciplines, such as services, trade-related investment measures and intellectual property.

Developing countries participated actively in these negotiations and contributed to this success. All countries should make their most constructive contribution possible.

We express our full commitment to making further substantive progress in the Uruguay Round in order to complete it by the end of 1990.

19. We note with satisfaction the entry into force of the Free Trade Agreement between Canada and the US, as well as more recent initiatives to intensify the close economic relations between the European Community and EFTA [European Free Trade Association] countries. It remains our policy that these and other developments in regional cooperation, should be trade-creating and complementary to the multilateral liberalization process.

20. It is the firm intention of the European Community that the trade aspects of the single market program should also be trade-creating and complementary to the multilateral liberalization process.

21. We note with satisfaction the progress that has been made in strengthening the multilateral disciplines on trade and aid distorting export credit subsidies. This effort must be pursued actively and completed in the competent bodies of the OECD with a view to improving present guidelines at the earliest possible date.

General Problems of Development

22. Development is a shared global challenge. We shall help developing countries by opening the world trading system and by supporting their structural adjustment. We shall encourage, too, economic

diversification in commodity dependent countries and the creation of a favourable environment for transfers of technology and capital flows.

We underline the continuing importance of official development assistance and welcome the increased efforts of Summit participants in this respect. We note the targets already established by international organizations for the future level of official development assistance and stress the importance of overall financial flows to development.

We underline simultaneously the importance attached to the quality of the aid and to the evaluation of the projects and the programs financed.

23. We urge developing countries to implement sound economic policies. A vital factor will be the adoption of financial and fiscal policies which attract inward investment and encourage growth and the return of flight capital.

24. We note with satisfaction that there has been substantial progress in the multilateral aid initiative for the Philippines that was given special attention in the Toronto economic declaration.

25. Faced with the worrying economic situation of Yugoslavia, we encourage its government to implement a strong economic reform program that can command bilateral and multilateral support.

The Situation in the Poorest Countries

26. The enhancement of the International Monetary Fund Structural Adjustment Facility, the World Bank special program of assistance for the poorest and most indebted countries and the fifth replenishment of the African Development Fund are all important measures benefiting those countries having embarked upon an adjustment process. We stress the importance attached to a substantial replenishment of International Development Association resources.

27. As we urged last year in Toronto, the Paris Club reached a consensus in September 1988 on the conditions of implementation of significant reduction of debt service payments for the poorest countries. Thirteen countries have already benefited by this decision.

28. We welcome the increasing grant element in the development assistance as well as the steps taken to convert loans into grants and we urge further steps to this end. Flexibility in development aid as much as in debt rescheduling is required.

29. We attach great importance to the efficient and successful preparation of the next general conference of the United Nations on the least developed countries, which will take place in Paris in 1990.

Strengthened Debt Strategy for the Heavily Indebted Countries

30. Our approach to the debt problems has produced significant results, but serious challenges remain: in many countries the ratio of debt service to exports remains high, financing for growth promoting investment is scarce, and capital flight is a key problem. An improvement in the investment climate must be a critical part of efforts to achieve a sustainable level of growth without excessive levels of debt. These improvements of the current situation depend above all on sustained and effective adjustment policies in the debtor countries.

31. To address these challenges, we are strongly committed to the strengthened debt strategy. This will rely, on a case-by case basis, on the following actions:

- borrowing countries should implement, with the assistance of the Fund and the Bank, sound economic policies, particularly designed to mobilize savings, stimulate investment and reverse capital flight;
- banks should increasingly focus on voluntary, market-based debt and debt service reduction operations, as a complement to new lending; -the International Monetary Fund and the World Bank will support significant debt reduction by setting aside a portion of policy-based loans;
- limited interest support will be provided, through additional financing by the International Monetary Fund and the World Bank, for transactions involving significant debt and debt service reduction. For that purpose the use of escrow accounts is agreed; -continued Paris Club rescheduling and flexibility of export-credit agencies; -strengthening of the international financial institutions' capability for supporting medium-term macroeconomic and structural adjustment programs and for compensating the negative effects of export shortfalls and external shocks.

32. In the framework of this strategy: -we welcome the recent decisions taken by the two institutions to encourage debt and debt service reduction which provide adequate resources for these purposes;

- we urge debtor countries to move ahead promptly to develop strong economic reform programs that may lead to debt and debt service reductions in accordance with the guidelines defined by the two Bretton Woods institutions;

- we urge banks to take realistic and constructive approaches in their negotiations with the debtor countries and to move promptly to conclude agreements on financial packages including debt reduction, debt service reduction and new money. We stress that official creditors should not substitute for private lenders. Our governments are prepared to consider as appropriate tax, regulatory and accounting practices with a view to eliminating unnecessary obstacles to debt and debt service reductions.

Environment

33. There is growing awareness throughout the world of the necessity to preserve better the global ecological balance. This includes serious threats to the atmosphere, which could lead to future climate changes. We note with great concern the growing pollution of air, lakes, rivers, oceans and seas; acid rain, dangerous substances; and the rapid desertification and deforestation. Such environmental degradation endangers species and undermines the well being of individuals and societies.

Decisive action is urgently needed to understand and protect the earth's ecological balance. We will work together to achieve the common goals of preserving a healthy and balanced global environment in order to meet shared economic and social objectives and to carry out obligations to future generations.

34. We urge all countries to give further impetus to scientific research on environmental issues, to develop necessary technologies and to make clear evaluations of the economic costs and benefits of environmental policies.

The persisting uncertainty on some of these issues should not unduly delay our action.

In this connection, we ask all countries to combine their efforts in order to improve observation and monitoring on a global scale.

35. We believe that international cooperation also needs to be enhanced in the field of technology and technology transfer in order to reduce pollution or provide alternative solutions.

36. We believe that industry has a crucial role in preventing pollution at source, in waste minimization, in energy conservation, and in the design and marketing of cost-effective clean technologies. The agricultural sector must also contribute to tackling problems such as water pollution, soil erosion and desertification.

37. Environmental protection is integral to issues such as trade, development, energy, transport, agriculture, and economic planning. Therefore, environmental considerations must be taken into account in economic decision-making. In fact good economic policies and good environmental policies are mutually reinforcing.

In order to achieve sustainable development, we shall ensure the compatibility of economic growth and development with the protection of the environment. Environmental protection and related investment should contribute to economic growth. In this respect, intensified efforts for technological breakthrough are important to reconcile economic growth and environmental policies.

Clear assessments of the costs, benefits and resource implications of environmental protection should help governments to take the necessary decisions on the mix of price signals (e.g., taxes or expenditures) and regulatory actions, reflecting where possible the full value of natural resources.

We encourage the World Bank and regional development banks to integrate environmental considerations into their activities. International organizations such as the OECD and the United Nations and its affiliated organizations, will be asked to develop further techniques of analysis which would help governments assess appropriate economic measures to promote the quality of the environment. We ask the OECD, within the context of its work on integrating environment and economic decision-making, to examine how selected environmental indicators could be developed. We expect the 1992 UN Conference on Environment and Development to give additional momentum to the protection of the global environment.

38. To help developing countries deal with past damage and to encourage them to take environmentally desirable action, economic incentives may include the use of aid mechanisms and specific transfer of

technology. In special cases, ODA debt forgiveness and debt for nature swaps can play a useful role in environmental protection.

We also emphasize the necessity to take into account the interests and needs of developing countries in sustaining the growth of their economies and the financial and technological requirements to meet environmental challenges.

39. The depletion of the stratospheric ozone layer is alarming and calls for prompt action.

We welcome the Helsinki conclusions related, among other issues, to the complete abandonment of the production and consumption of chloro-fluorocarbons covered by the Montreal Protocol as soon as possible and not later than the end of the century. Specific attention must also be given to those ozone-depleting substances not covered by the Montreal protocol. We shall promote the development and use of suitable substitute substances and technologies. More emphasis should be placed on projects that provide alternatives to chloro-fluorocarbons.

40. We strongly advocate common efforts to limit emissions of carbon dioxide and other greenhouse gases, which threaten to induce climate change, endangering the environment and ultimately the economy. We strongly support the work undertaken by the Intergovernmental Panel on Climate Change on this issue.

We need to strengthen the worldwide network of observatories for greenhouse gases and support the World Meteorological Organization initiative to establish a global climatological reference network to detect climate changes.

41. We agree that increasing energy efficiency could make a substantial contribution to these goals. We urge international organizations concerned to encourage measures, including economic measures, to improve energy conservation and, more broadly, efficiency in the use of energy of all kinds and to promote relevant techniques and technologies.

We are committed to maintaining the highest safety standards for nuclear power plants and to strengthening international cooperation in safe operation of power plants and waste management, and we recognize that nuclear power also plays an important role in limiting output of greenhouse gases.

42. Deforestation also damages the atmosphere and must be reversed. We call for the adoption of sustainable forest management practices, with a view to preserving the scale of world forests. The relevant international organizations will be asked to complete reports on the state of the world's forests by 1990.

43. Preserving the tropical forests is an urgent need for the world as a whole. While recognizing the sovereign rights of developing countries to make use of their natural resources, we encourage, through a sustainable use of tropical forests, the protection of all the species therein and the traditional rights to land and other resources of local communities. We welcome the German initiative in this field as a basis for progress.

To this end, we give strong support to rapid implementation of the Tropical Forest Action Plan which was adopted in 1986 in the framework of the Food and Agriculture Organization [of the United Nations]. We appeal to both consumer and producer countries, which are united in the International Tropical Timber Organization, to join their efforts to ensure better conservation of the forests. We express our readiness to assist the efforts of nations with tropical forests through financial and technical cooperation, and in international organizations.

44. Temperate forests, lakes and rivers must be protected against the effects of acid pollutants such as sulphur dioxide and nitrogen oxides. It is necessary to pursue actively the bilateral and multilateral efforts to this end.

45. The increasing complexity of the issues related to the protection of the atmosphere calls for innovative solutions. New instruments may be contemplated. We believe that the conclusion of a framework or umbrella convention on climate change to set out general principles or guidelines is urgently required to mobilize and rationalize the efforts made by the international community. We welcome the work under way by the United Nations Environment Programme, in cooperation with the World Meteorological Organization, drawing on the work of the Intergovernmental Panel on Climate Change and the results of other international meetings. Specific protocols containing concrete commitments could be fitted into the framework as scientific evidence requires and permits.

46. We condemn indiscriminate use of oceans as dumping grounds for polluting waste. There is a particular problem with the deterioration of coastal waters. To ensure the sustainable management of the marine environment, we recognize the importance of international cooperation in preserving it and conserving the living resources of the sea. We call for relevant bodies of the United Nations to prepare a report on the state of the world's oceans.

We express our concern that national, regional and global capabilities to contain and alleviate the consequences of maritime oil spills be improved. We urge all countries to make better use of the latest monitoring and clean-up technologies. We ask all countries to adhere to and implement fully the international conventions for the prevention of oil pollution of the oceans. We also ask the International Maritime Organization to put forward proposals for further preventive action.

47. We are committed to ensuring full implementation of existing rules for the environment. In this respect, we note with interest the initiative of the Italian government to host in 1990 a forum on international law for the environment with scholars, scientific experts and officials, to consider the need for a digest of existing rules and to give in-depth consideration to the legal aspects of environment at the international level.

48. We advocate that existing environment institutions be strengthened within the United Nations system. In particular, the United Nations Environment Programme urgently requires strengthening and increased financial support. Some of us have agreed that the establishment within the United Nations of a new institution may also be worth considering.

49. We have taken note of the report of the sixth conference on bioethics held in Brussels which examined the elaboration of a universal code of environmental ethics based upon the concept of the "human stewardship of nature."

50. It is a matter of international concern that Bangladesh, one of the poorest and most densely populated countries in the world, is periodically devastated by catastrophic floods.

We stress the urgent need for effective, coordinated action by the international community, in support of the Government of Bangladesh, in order to find solutions to this major problem which are technically, financially, economically and environmentally sound. In that spirit, and taking account of help already given, we take note of the different studies concerning flood alleviation, initiated by France, Japan, the United States and the United Nations Development Programme, which have been reviewed by experts from all our countries. We welcome the World Bank's agreement, following those studies, to coordinate the efforts of the international community so that a sound basis for achieving a real improvement in alleviating the effects of flood can be established. We also welcome the agreement of the World Bank to chair, by the end of the year, a meeting to be held in the United Kingdom by invitation of the Bangladesh Government, of the countries willing to take an active part in such a program.

51. We give political support to projects such as the joint project to set up an observatory of the Saharan areas, which answers the need to monitor the development of that rapidly deteriorating, fragile, arid region, in order to protect it more effectively.

Drug Issues

52. The drug problem has reached devastating proportions. We stress the urgent need for decisive action, both on a national and an international basis. We urge all countries, especially those where drug production, trading and consumption are large, to join our efforts to counter drug production, to reduce demand, and to carry forward the fight against drug trafficking itself and the laundering of its proceeds.

53. Accordingly, we resolve to take the following measures within relevant fora:

- Give greater emphasis on [sic] bilateral and United Nations programs for the conversion of illicit cultivation in the producer countries. The United Nations Fund for Drug Abuse Control (UNFDAC), and other United Nations and multilateral organizations should be supported, strengthened and made more effective. These efforts could include particular support for the implementation of effective programs to stop drug cultivation and trading as well as developmental and technical assistance. -Support the efforts of producing countries who ask for assistance to counter illegal production or trafficking.
- Strengthen the role of the United Nations in the war against drugs through an increase in its resources and through reinforced effectiveness of its operation.
- Intensify the exchange of information on the prevention of addiction, and rehabilitation of drug addicts.

- Support the international conference planned for 1990 on cocaine and drug demand reduction.
- Strengthen the efficiency of the cooperative and mutual assistance on these issues, the first steps being a prompt adhesion to, ratification and implementation of the Vienna Convention on illicit traffic in narcotic drugs and psychotropic substances.
- Conclude further bilateral or multilateral agreements and support initiatives and cooperation, where appropriate, which include measures to facilitate the identification, tracing, freezing, seizure and forfeiture of drug crime proceeds.
- Convene a financial action task force from Summit participants and other countries interested in these problems. Its mandate is to assess the results of cooperation already undertaken in order to prevent the utilization of the banking system and financial institutions for the purpose of money laundering, and to consider additional preventive efforts in this field, including the adaptation of the legal and regulatory systems so as to enhance multilateral judicial assistance. The first meeting of this task force will be called by France and its report will be completed by April 1990.

International Cooperation against Aids

54. We take note of the creation of an International Ethics Committee on AIDS which met in Paris in May 1989, as decided at the Summit of Venice (June 1987). It assembled the Summit participants and the other members of the EC, together with the active participation of the World Health Organization.

55. We take note of the representations that we received from various Heads of State or Government and organizations and we will study them with interest.

Next Economic Summit

56. We have accepted the invitation of the President of the United States to meet next year in the United States of America.

Political and other non-economic declarations

DECLARATION ON CHINA

15 July 1989

We have already condemned the violent repression in China in defiance of human rights. We urge the Chinese authorities to cease action against those who have done no more than claim their legitimate rights to democracy and liberty.

This repression has led each of us to take appropriate measures to express our deep sense of condemnation to suspend bilateral Ministerial and high-level contacts, and also to suspend arms-trade with China, where it exists. Furthermore, each of us has agreed that, in view of current economic uncertainties, the examination of new loans by the World Bank be postponed. We have also decided to extend the stays of those Chinese students who so desire.

We look to the Chinese authorities to create conditions which will avoid their isolation and provide for a return to cooperation based upon the resumption of movement towards political and economic reform, and openness. We understand and share the grave concern felt by the people of Hong Kong following these events. We call on the Government of the People's Republic of China to do what is necessary to restore confidence in Hong Kong. We recognize that the continuing support of the international community will be an important element in the maintenance of confidence in Hong Kong.

DECLARATION ON EAST-WEST RELATIONS

15 July 1989

1. We, the leaders of our seven countries and the representatives of the European Community, reaffirm the universal and supreme importance which we attach to freedom, democracy and the promotion of human rights.

2. We see signs of this same desire for greater freedom and democracy in the East. The people there, including the young people, are reasserting these values and calling for a pluralist democratic society. Some of their leaders are aware of the positive contribution that greater freedom and democracy can make to the modernization of their countries and are starting to make changes to their laws, practices and institutions. Others are still endeavouring to resist this movement by taking repressive measures which we strongly condemn.

3. We hope that freedom will be broadened and democracy strengthened and that they will form the basis, after decades of military confrontation, ideological antagonism and mistrust, for increased dialogue and cooperation. We welcome the reforms underway and the prospects of lessening the division of Europe.

4. We call upon the Soviet Government to translate its new policies and pronouncements into further concrete action at home and abroad. Military imbalances favouring the Soviet Union, both in Europe and in Asia, remain an objective threat to each of us. Our Governments must therefore continue to be vigilant and maintain the strength of our countries. For the foreseeable future, there is no alternative for each of us, within existing alliances, to maintaining a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces. In order to hasten the advent of a world in which the weight of arms and military strength is reduced, we recommit ourselves to the urgent pursuit of a global ban on chemical weapons, a conventional forces balance in Europe at the lowest possible level consistent with our security requirements, and a substantial reduction in Soviet and American strategic nuclear arms.

5. We offer the countries of the East the opportunity to develop balanced economic cooperation on a sound commercial basis consistent with the security interests of each of our countries and with the general principles of international trade. We have noted developments of relations between the EEC and countries of the East, in particular the conclusion of an agreement with Hungary, the progress already

achieved during the current discussions with Poland and the opening of negotiations with the Soviet Union.

6. We welcome the process of reform underway in Poland and Hungary. We recognize that the political changes taking place in these countries will be difficult to sustain without economic progress. Each of us is prepared to support this process and to consider, as appropriate and in a coordinated fashion, economic assistance aimed at transforming and opening their economies in a durable manner. We believe that each of us should direct our assistance to these countries so as to sustain the momentum of reform through inward investment, joint ventures, transfer of managerial skills, professional training and other ventures which would help develop a more competitive economy.

Each of us is developing concrete initiatives designed to encourage economic reforms, to promote more competitive economies and to provide new opportunities for trade.

We agreed to work along with other interested countries and multilateral institutions to concert support for the process of reform underway in Hungary and Poland, in order to make our measures of support more effective and mutually reinforcing. We will encourage further creative efforts by interested governments and the public and private sectors in support of the reform process.

Concerning concerted support for reform in Poland and Hungary, we call for a meeting with all interested countries which will take place in the next few weeks. We underline, for Poland, the urgent need for food in present circumstances.

To these ends, we ask the Commission of the European Communities to take the necessary initiatives in agreement with the other Member States of the Community, and to associate, besides the Summit participants, all interested countries.

7. We are in favour of an early conclusion of the negotiations between the IMF [International Monetary Fund] and Poland. The strengthened debt strategy is applicable to Poland, provided it meets the conditions. We are ready to support in the Paris Club the rescheduling of Polish debt expeditiously and in a flexible and forthcoming manner.

8. We see good opportunities for the countries of West and East to work together to find just solutions to conflicts around the world, to fight against underdevelopment, to safeguard the resources and the environment and to build a freer and more open world.

DECLARATION ON HUMAN RIGHTS

15 July 1989

In 1789, the rights of man and of the citizen were solemnly proclaimed. Just over forty years ago, the General Assembly of the United Nations adopted the Universal Declaration of Human Rights, which have been further developed and codified and are now embodied in the Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights.

We reaffirm our commitment to freedom, democratic principles and human rights. We reaffirm our belief in the rule of law which respects and protects without fear or favour the rights and liberties of every citizen, and provides the setting in which the human spirit can develop in freedom and diversity.

Human rights are a matter of legitimate international concern. We commit ourselves again to encouraging and promoting universal respect for human rights and fundamental freedoms.

Looking towards the future, we see opportunities as well as threats; this impels us to pledge our firm commitment to uphold international standards of human rights and to confirm our willingness to reaffirm them and to develop them further

We stress the protection of freedom of thought, conscience and religion, and of freedom of opinion and expression; for without these freedoms, other rights cannot be fully realized.

We stress also respect for the rule of law and the plurality of opinion, for without them there can be neither representative government nor democracy.

We believe equally in freedom of association in a pluralist society.

We hold that the right of each individual to physical integrity and dignity must be guaranteed. We abhor and condemn torture in all its forms.

We believe that all human beings must act towards each other in a spirit of fraternity.

We believe that everyone has a right to equality of opportunity as well as to own property, alone or in association with others. Extreme poverty and exclusion from society violate the dignity of everyone enduring them. Those who suffer or are in need should be supported.

We stress that the rights of the child, the disabled and the elderly require special protection.

We consider that developments in the human sciences, for instance the progress achieved in genetics and organ transplantation, must be applied in accordance with all human rights if the dignity of human beings is to be preserved.

We, the present generation, have an obligation to ensure that future generations will inherit a healthy environment.

We reaffirm our belief that these rights and freedoms cannot be properly safeguarded without the rule of law, impartial justice and genuine democratic institutions.

DECLARATION ON TERRORISM

15 July 1989

1. We remain resolutely opposed to terrorism in all its forms. We confirm the commitment each of us has undertaken to the principle of making no concessions to terrorists or their sponsors and to cooperating, bilaterally and in all relevant international fora, in combating terrorism. We reiterate our commitment to the policies agreed at previous summits; in particular we condemn state-sponsored terrorism. We are determined not to let terrorists remain unpunished, and to have them brought to justice within the framework of international law and in conformity with the rule of law. We call upon those states which have supported or encouraged terrorist acts to demonstrate by their actions that they have renounced such policies. We reaffirm in particular our absolute condemnation of the taking of hostages. We call on those holding hostages to release them immediately and unconditionally and on those with influence over hostage-takers to use it to this end.

2. Deeply concerned for the safety of all travellers and outraged by the murderous attacks perpetrated against international civil aviation and the frequent threat to air transport safety from terrorist groups, we reaffirm our commitment to the fight against all forms of terrorism affecting civil aviation. We reiterate our determination to contribute to reinforcing internationally agreed measures for protection against aircraft hijackings and sabotage.

3. We particularly condemn the recent attack on an aircraft over Scotland, which killed 270 people. We have agreed to give priority to preventing such attacks by further strengthening security measures. We attach importance to the implementation of the work plan recently adopted by the ICAO Council for this purpose.

4. We have also agreed on the need for improved methods of detecting explosives. We endorse efforts currently underway in ICAO to develop, as a matter of high priority, an appropriate international regime for the marking of plastic and sheet explosives for detection.

COMMUNIQUÉ DE LA PRÉSIDENTE: CONFLIT ISRAELO-ARABE

15 Juillet 1989

Les participants au Sommet restent profondément préoccupés par la situation au Proche Orient.

Certaines récentes déclarations partisans en Israël, la violence persistante dans les territoires occupés, ainsi que la détérioration des conditions de vie en Cisjordanie et à Gaza montrent plus clairement que jamais qu'une solution respectant les droits politiques légitimes du peuple palestinien ainsi que le droit à la sécurité de tous les Etats de la Région, y compris Israël, revêt une nécessité urgente.

Plus que jamais, le temps est venu pour l'ouverture d'un dialogue entre les parties concernées en vue d'une négociation.

Les Sept pays considèrent que les élections en projet pour les territoires occupés pourraient marquer un pas en avant vers une reconnaissance mutuelle pour autant qu'elles aient lieu dans une atmosphère de libre expression et qu'elles fassent partie d'un règlement global sur la base des territoires contre la paix.

En outre, les Sept pays pensent que la réunion, le moment venu, d'une conférence internationale structurée de manière appropriée constituerait un cadre adapté pour promouvoir un dialogue direct entre toutes les parties et pour traiter tous les problèmes liés dont la solution commande un règlement pacifique au Proche Orient.

STATEMENT ON THE ARAB-ISRAELI CONFLICT

15 July 1989

The Summit participants remain profoundly concerned about the situation in the Near East.

Certain recent partisan declarations in Israel, the persistent violence in the occupied territories, as well as the deterioration of living conditions in the West Bank and in Gaza show more clearly than ever that a solution concerning the legitimate political rights of the Palestinian people, as well as the right to security of all of the states in the region, including Israel, is once again an urgent necessity.

More than ever, the time has come to open a dialogue between the concerned parties, with a view toward negotiation.

The seven nations consider that the elections proposed for the occupied territories could mark a positive step toward mutual recognition, to the extent that they take place in an atmosphere of free expression and that they form part of a global settlement of territorial disputes that present obstacles to peace.

Furthermore, the seven nations believe that the holding, at the appropriate time, of an international conference structured in an appropriate manner would constitute a framework adapted to promoting direct dialogue among all the parties and to dealing with all of the related problems whose solution governs a peaceful settlement in the Near East.

COMMUNIQUÉ DE LA PRÉSIDENTE: AFRIQUE AUSTRALE

15 Juillet 1989

Les participants au Sommet expriment leur condamnation de l'apartheid et leur détermination à travailler pour une Afrique du Sud démocratique, sans discrimination raciale. A cet égard ils demandent instamment au Gouvernement Sud africain de prendre des mesures concrètes pour commencer des négociations avec la majorité noire.

Ils insistent pour que le Gouvernement libère Nelson Mandela, et les autres prisonniers politiques, pour qu'il soit mis fin à l'état d'urgence, à l'interdiction de l'ANC [African National Congress], de l'UDF [United Democratic Front] et des autres organisations, et pour l'abrogation de la législation discriminatoire.

Les participants au Sommet se félicitent des progrès réalisés pour la mise en oeuvre de la résolution 435 du Conseil de Sécurité pour l'indépendance de la Namibie et demande à toutes les parties concernées de veiller à ce que rien n'entrave le processus. Ils espèrent que la récente rencontre au Sommet des dix-

huit Chefs d'Etat africains à Gbadolite conduira à un règlement pacifique de la guerre civile en Angola et que des progrès seront faits pour la recherche d'une solution au conflit du Mozambique.

STATEMENT ON SOUTHERN AFRICA

15 July 1989

The Summit participants express their condemnation of apartheid and their determination to work for a democratic South Africa without racial discrimination. In this respect they urgently demand that the South African Government take concrete steps to begin negotiations with the black majority.

They insist that the Government free Nelson Mandela, and the other political prisoners, that an end be put to the state of emergency and to the interdiction of the ANC [African National Congress], of the UDF [United Democratic Front] and of the other organizations, and that the discriminatory legislation be repealed.

The Summit participants are pleased with the progress achieved toward the implementation of Resolution 435 of the Security Council for the independence of Namibia and ask all parties concerned to see that nothing hinders the process. They hope that the recent Summit meeting of eighteen African Heads of State in Gbadolite will lead to the peaceful settlement of the civil war in Angola and that progress will be made in the search for a solution to the conflict in Mozambique.

COMMUNIQUÉ DE LA PRÉSIDENTE: AMERIQUE CENTRALE

15 Juillet 1989

Les participants au Sommet soutiennent les accords d'Esquipulas et de la Baie de Tesoro. Ils demandent aux pays de la région de remplir leurs engagements pour l'organisation d'élections libres et régulières, sous le contrôle d'une administration neutre et impartiale.

Ils appellent au respect des droits de l'homme et des règles de droit dans tous les pays de l'Amérique Centrale.

STATEMENT ON CENTRAL AMERICA

15 July 1989

The Summit participants support the Esquipulas and Tesoro Bay agreements. They ask the countries of the region to fulfil their undertakings to organize free and orderly elections under neutral and impartial control.

They call for respect for human rights and the rule of law in all countries of Central America.

COMMUNIQUÉ DE LA PRÉSIDENTE: PANAMA

15 Juillet 1989

Les participants ont examiné la situation à Panama, marquée par l'annulation des résultats des élections du 7 mai dernier et des mesures de répression contre l'opposition. Ils désapprouvent fermement ces pratiques.

Ils lancent un appel à l'Organisation des Etats Américains afin qu'elle continue ses efforts pour faire en sorte que soient pleinement respectés les règles démocratiques et le libre choix du peuple panaméen.

STATEMENT ON PANAMA

16 July 1989

The participants examined the situation in Panama, marked by the invalidation of the results of the elections of May 7 last and by repressive measures against the opposition. They firmly disapprove of these practices.

They are sending an appeal to the Organization of American States to continue its efforts to see to it that democratic rules and the free choice of the Panamanian people are fully respected.

COMMUNIQUÉ DE LA PRÉSIDENTE: CAMBODGE

15 Juillet 1989

Les participants au Sommet ont évoqué le problème du Cambodge.

Ils se félicitent de l'initiative prise par la France de convoquer une conférence internationale à Paris et lui apportent leur plein appui. Ils souhaitent que cette conférence conduise à un règlement politique global prévoyant, entre autre, le retrait vérifié des troupes vietnamiennes et l'autodétermination du peuple cambodgien. Ils insistent sur la nécessité d'un mécanisme international de contrôle efficace, comme composante essentielle de ce règlement.

Rendant hommage dans ce contexte aux efforts entrepris depuis plusieurs mois par les pays de l'ASEAN [Association of South East Asian Nations] pour la recherche d'une issue au conflit, ils estiment que l'occasion doit être saisie aujourd'hui de définir une solution réelle, complète et durable au problème cambodgien.

Les discussions ont montré une disponibilité générale à contribuer, le moment venu, aux efforts de reconstruction du Cambodge.

STATEMENT ON CAMBODIA

15 July 1989

The Summit participants recalled the problem of Cambodia.

They are pleased by, and fully support, the initiative of France to convene an international conference in Paris. They hope that this conference will lead to a global political settlement, providing, *inter alia*, for the verified withdrawal of Vietnamese troops and self-determination for the Cambodian people. They stress the need for an effective international control mechanism as an essential component of that settlement.

In this context, they pay homage to the efforts undertaken for several months by ASEAN [Association of South East Asian Nations] countries to seek an end to the conflict. They consider that the opportunity must be seized today to find a real, complete and lasting solution of the Cambodian problem.

The discussions showed a general receptivity to contribute, when the time comes, to the reconstruction of Cambodia.

COMMUNIQUÉ DE LA PRÉSIDENTE: LIBAN

15 Juillet 1989

Les participants au Sommet ont consacré une attention particulière à la situation au Liban et ont été d'accord pour considérer que la communauté des nations ne pouvait ni ne devait rester indifférente devant les dangers qui menacent l'existence même de ce pays.

Ils expriment leur plein appui au Comité des trois Chefs d'Etat arabes chargés, en liaison avec la mission que le Conseil de Sécurité a confié au Secrétaire Général des Nations Unies, de trouver une solution à la crise libanaise. Ils appellent toutes les parties concernées à coopérer pleinement avec lui à

l'établissement d'un cessez-le-feu effectif et complet et à la mise en oeuvre d'un règlement politique comportant la restauration des institutions de l'Etat et l'adoption des nécessaires réformes politiques.

Ils affirment leur attachement à la souveraineté, à l'indépendance, à l'unité et à l'intégrité territoriale du Liban, ce qui suppose le retrait de toutes les forces non-libanaises.

STATEMENT ON LEBANON

15 July 1989

The Summit participants have devoted particular attention to the situation in Lebanon and have agreed that the community of nations cannot and should not remain indifferent to the dangers that threaten the very existence of that country.

They express their full support for the Committee of the three Arab Heads of State who are charged with finding a solution to the Lebanese crisis, in conjunction with the mission which the Security Council has entrusted to the Secretary General of the United Nations. They call on all concerned parties to cooperate fully with the Committee in establishing an effective and complete cease-fire and in implementing a political settlement that permits the restoration of State institutions and the adoption of the necessary political reforms.

They affirm their support of the sovereignty, independence, unity, and territorial integrity of Lebanon, which presupposes the withdrawal of all non-Lebanese forces.