

MUNICH SUMMIT

6-8 July 1992

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COMMUNIQUÉ: ECONOMIC DECLARATION: WORKING TOGETHER FOR GROWTH AND A SAFER WORLD

8 July 1992

1. We, the Heads of State and Government of seven major industrial nations and the President of the European Community, have met in Munich for our eighteenth annual Summit.

2. The international community is at the threshold of a new era, freed from the burden of the East West conflict. Rarely have conditions been so favourable for shaping a permanent peace, guaranteeing respect for human rights, carrying through the principles of democracy, ensuring free markets, overcoming poverty and safeguarding the environment.

3. We are resolved, by taking action in a spirit of partnership, to seize the unique opportunities now available. While fundamental change entails risk, we place our trust in the creativity, effort and dedication of people as the true sources of economic and social progress. The global dimension of the challenges and the mutual dependencies call for worldwide cooperation. The close coordination of our policies as part of this cooperation is now more important than ever.

World Economy

4. Strong world economic growth is the prerequisite for solving a variety of challenges we face in the post Cold War world. Increasingly, there are signs of global economic recovery. But we will not take it for granted and will act together to assure the recovery gathers strength and growth picks up.

5. Too many people are out of work. The potential strength of people, factories and resources is not being fully employed. We are particularly concerned about the hardship unemployment creates.

6. Each of us faces somewhat different economic situations. But we all would gain greatly from stronger, sustainable non-inflationary growth.

7. Higher growth will help other countries, too. Growth generates trade. More trade will give a boost to developing nations and to the new democracies seeking to transform command economies into productive participants within the global marketplace. Their economic success is in our common interest.

8. A successful Uruguay Round will be a significant contribution to the future of the world economy. An early conclusion of the negotiations will reinforce our economies, promote the process of reform in Eastern Europe and give new opportunities for the well being of other nations, including in particular the developing countries.

We regret the slow pace of the negotiations since we met in London last year. But there has been progress in recent months. Therefore we are convinced that a balanced agreement is within reach.

We welcome the reform of the European Community's Common Agricultural Policy which has just been adopted and which should facilitate the settlement of outstanding issues.

Progress has been made on the issue of internal support in a way which is consistent with the reform of the Common Agricultural Policy, on dealing with the volume of subsidised exports and on avoiding future disputes. These topics require further work. In addition, parties still have concerns in the areas of market access and trade in cereal substitutes that they seek to address.

We reaffirm that the negotiations should lead to a globally balanced result. An accord must create more open markets for goods and services and will require comparable efforts from all negotiating partners.

On this basis we expect that an agreement can be reached before the end of 1992.

9. We are committed, through coordinated and individual actions, to build confidence for investors, savers, and consumers: confidence that hard work will lead to a better quality of life; confidence that investments will be profitable; confidence that savings will be rewarded and that price stability will not be put at risk.

10. We pledge to adopt policies aimed at creating jobs and growth. We will seek to take the appropriate steps, recognising our individual circumstances, to establish sound macroeconomic policies to spur stronger sustainable growth. With this in mind we have agreed on the following guidelines:

- to continue to pursue sound monetary and financial policies to support the upturn without rekindling inflation;
- to create the scope for lower interest rates through the reduction of excessive public deficits and the promotion of savings;
- to curb excessive public deficits above all by limiting public spending. Taxpayers' money should be used more economically and more effectively.
- to integrate more closely our environmental and growth objectives, by encouraging market incentives and technological innovation to promote environmentally sound consumption and production.

As the risk of inflation recedes as a result of our policies, it will be increasingly possible for interest rates to come down. This will help promote new investment and therefore stronger growth and more jobs.

11. But good macroeconomic policies are not enough. All our economies are burdened by structural rigidities that constrain our potential growth rates. We need to encourage competition. We need to create a more hospitable environment for private initiative. We need to cut back excess regulation, which suppresses innovation, enterprise and creativity. We will strengthen employment opportunities through better training, education, and enhanced mobility. We will strengthen the basis for long term growth through improvements in infrastructure and greater attention to research and development. We are urging these kinds of reforms for new democracies in the transition to market economies. We cannot demand less of ourselves.

12. The coordination of economic and financial policies is a central element in our common strategy for sustained, non inflationary growth. We request our Finance Ministers to strengthen their cooperation on the basis of our agreed guidelines and to intensify their work to reduce obstacles to growth and therefore foster employment. We ask them to report to our meeting in Japan in 1993.

United Nations Conference on Environment and Development (UNCED)

13. The Earth Summit has been a landmark in heightening the consciousness of the global environmental challenges, and in giving new impetus to the process of creating a worldwide partnership on development and the environment. Rapid and concrete action is required to follow through on our commitments on climate change, to protect forests and oceans, to preserve marine resources, and to maintain biodiversity. We therefore urge all countries, developed and developing, to direct their policies and resources towards sustainable development which safeguards the interests of both present and future generations.

14. To carry forward the momentum of the Rio Conference, we urge other countries to join us:

in seeking to ratify the Climate Change Convention by the end of 1993;

in drawing up and publishing national action plans, as foreseen at UNCED, by the end of 1993;

in working to protect species and the habitats on which they depend;

in giving additional financial and technical support to developing countries for sustainable development through official development assistance (ODA), in particular by replenishment of IDA, and for actions of global benefit through the Global Environment Facility (GEF) with a view to its being established as a permanent funding mechanism;

in establishing at the 1992 UN General Assembly the Sustainable Development Commission which will have a vital role to play in monitoring the implementation of Agenda 21;

in establishing an international review process for the forest principles, in an early dialogue, on the basis of the implementation of these principles, on possible appropriate internationally agreed arrangements, and in increased international assistance;

in further improving monitoring of the global environment, including through better utilisation of data from satellite and other earth observations programmes;

in the promotion of the development and diffusion of energy and environment technologies, including proposals for innovative technology programmes;

by ensuring the international conference on straddling fish stocks and highly migratory fish stocks in the oceans is convened as soon as possible.

Developing Countries

15. We welcome the economic and political progress which many developing countries have made, particularly in East and South-East Asia, but also in Latin America and in some parts of Africa. However, many countries throughout the world are still struggling against poverty. Sub-Saharan Africa, above all, gives cause for concern.

16. We are committed to dialogue and partnership founded on shared responsibility and a growing consensus on fundamental political and economic principles. Global challenges such as population growth and the environment can only be met through cooperative efforts by all countries. Reforming the economic and social sector of the UN system will be an important step to this end.

17. We welcome the growing acceptance of the principles of good governance. Economic and social progress can only be assured if countries mobilise their own potential, all segments of the population are involved and human rights are respected. Regional cooperation among developing countries enhances development and can contribute to stability, peaceful relations and reduced arms spending.

18. The industrial countries bear a special responsibility for a sound global economy. We shall pay regard to the effects of our policies on the developing countries. We will continue our best efforts to increase the quantity and quality of official development assistance in accordance with our commitments. We shall direct official development assistance more towards the poorest countries that undertake credible efforts to help themselves. The more prosperous developing countries are invited to contribute international assistance.

19. We underline the importance for developing countries of trade, foreign direct investment and an active private sector. Poor developing countries should be offered technical assistance to establish a more diversified export base especially in manufactured goods.

20. Negotiations on a substantial replenishment of IDA funds should be concluded before the end of 1992. The IMF should continue to provide concessional financing to support the reform programmes for the poorest countries. We call for an early decision by the IMF on the extension for one year of the Enhanced Structural Adjustment Facility and for the full examination of options for the subsequent period, including a renewal of the facility.

21. We are deeply concerned about the unprecedented drought in southern Africa. Two thirds of the Drought Appeal target has been met. But much remains to be done. We call on all countries to assist.

22. We welcome the progress achieved by many developing countries in overcoming the debt problems and regaining their creditworthiness. Initiatives of previous Summits have contributed to this. Nevertheless, many developing countries are still in a difficult situation.

23. We confirm the validity of the international debt strategy. We welcome the enhanced debt relief extended to the poorest countries by the Paris Club. We note that the Paris Club has agreed to consider the stock of debt approach, under certain conditions, after a period of three or four years, for the poorest countries that are prepared to adjust, and we encourage it to recognise the special situation of some highly indebted lower-middle-income countries on a case by case basis. We attach great importance to the enhanced use of voluntary debt conversions, including debt conversions for environmental protection.

Central and Eastern Europe

24. We welcome the progress of the democracies in Central and Eastern Europe including the Baltic States (CEECs) towards political and economic reform and integration into the world economy. The

reform must be pursued vigorously. Great efforts and even sacrifices are still required from their people. They have our continuing support.

25. We welcome the substantial multilateral and bilateral assistance in support of reform in the CEECs. Financing provided by the EBRD is playing a useful role. Since 1989, total assistance and commitments, in the form of grants, loans and credit guarantees by the Group of 24 and the international financial institutions, amounts to \$52 billion. We call upon the Group of 24 to continue its coordination activity and to adapt it to the requirements of each reforming country. We reaffirm our readiness to make fair contributions.

26. We support the idea of working with Poland to reallocate, on the basis of existing arrangements, funds from the currency stabilisation fund, upon agreement on an IMF programme, towards new uses in support of Poland's market reform effort, in particular by strengthening the competitiveness of Poland's business enterprises.

27. The industrial countries have granted substantial trade concessions to the CEECs in order to ensure that their reform efforts will succeed. But all countries should open their markets further. The agreements of the EC and EFTA countries aiming at the establishment of free trade areas with these countries are a significant contribution. We shall continue to offer the CEECs technical assistance in enhancing their export capacity.

28. We urge all CEECs to develop their economic relations with each other, with the new independent States of the former Soviet Union as well as more widely on a market oriented basis and consistent with GATT principles. As a step in this direction we welcome the special operation among the CSFR, Poland and Hungary, and hope that free trade among them will soon be possible.

29. Investment from abroad should be welcomed. It is important for the development of the full economic potential of the CEECs. We urge the CEECs to focus their policies on the creation of attractive and reliable investment conditions for private capital. We are providing our bilateral credit insurance and guarantee instruments to promote foreign investment when these conditions, including servicing of debt, are met. We call upon enterprises in the industrial countries to avail themselves of investment opportunities in the CEECs.

New Independent States of the Former Soviet Union

30. The far reaching changes in the former Soviet Union offer an historic opportunity to make the world a better place: more secure, more democratic and more prosperous. Under President Yeltsin's leadership the Russian Government has embarked on a difficult reform process. We look forward to our meeting with him to discuss our cooperation in support of these reforms. We are prepared to work with the leaders of all new States pursuing reforms. The success is in the interest of the international community.

31. We are aware that the transition will involve painful adjustments. We offer the new States our help for their self help. Our cooperation will be comprehensive and will be tailored to their reform progress and internationally responsible behaviour, including further reductions in military spending and fulfilment of obligations already undertaken.

32. We encourage the new States to adopt sound economic policies, above all by bringing down budget deficits and inflation. Working with the IMF can bring experience to this task and lend credibility to the efforts being made. Macroeconomic stabilisation should not be delayed. It will only succeed if at the same time the building blocks of a market economy are also put into place, through privatisation, land reform, measures to promote investment and competition and appropriate social safeguards for the population.

33. Creditworthiness and the establishment of a dependable legal framework are essential if private investors are to be attracted. The creditworthiness of the new States will in particular be assessed by the way in which they discharge their financial obligations.

34. Private capital and entrepreneurial commitment must play a decisive and increasing part in economic reconstruction. We urge the new States to develop an efficient private business sector, in particular the body of small and medium sized private companies which is indispensable for a market economy.

35. Rapid progress is particularly urgent and attainable in two sectors: agriculture and energy. These sectors are of decisive importance in improving the supply situation and increasing foreign exchange revenue. Trade and industry in our countries are prepared to cooperate. Valuable time has already been lost because barriers to investment remain in place. For energy, we note the importance of the European

Energy Charter for encouraging production and ensuring the security of supply. We urge rapid conclusion of the preparatory work.

36. All Summit participants have shown solidarity in a critical situation by providing extensive food aid, credits and medical assistance. They also have committed technical assistance. A broad inflow of know-how and experience to the new States is needed to help them realise their own potential. Both private and public sectors can contribute to this. What is needed most of all is concrete advice on the spot and practical assistance. The emphasis should be on projects selected for their value as a model or their strategic importance for the reform process. Partnerships and management assistance at corporate level can be particularly effective.

37. We stress the need for the further opening of international markets to products from the new States. Most favoured nation treatment should be applied to trade with the new States and consideration given to further preferential access. The new States should not impede reconstruction by setting up barriers to trade between themselves. It is in their own interest to cooperate on economic and monetary policy.

38. We want to help the new States to preserve their highly developed scientific and technological skills and to make use of them in building up their economies. We call upon industry and science in the industrial countries to promote cooperation and exchange with the new States. By establishing International Science and Technology Centres we are helping to redirect the expertise of scientists and engineers who have sensitive knowledge in the manufacture of weapons of mass destruction towards peaceful purposes. We will continue our efforts to enable highly qualified civil scientists to remain in the new States and to promote research cooperation with western industrial countries.

39. We welcome the membership of the new States in the international financial institutions. This will allow them to work out economic reform programmes in collaboration with these institutions and on this basis to make use of their substantial financial resources. Disbursements of these funds should be linked to progress in implementing reforms.

40. We support the phased strategy of cooperation between the Russian Government and the IMF. This will allow the IMF to disburse a first credit tranche in support of the most urgent stabilisation measures within the next few weeks while continuing to negotiate a comprehensive reform programme with Russia. This will pave the way for the full utilisation of the \$24 billion support package announced in April. Out of this, \$6 billion earmarked for a rouble stabilisation fund will be released when the necessary macroeconomic conditions are in place.

41. We suggest that country consultative groups should be set up for the new States, when appropriate, in order to foster close cooperation among the States concerned, international institutions and partners. The task of these groups would be to encourage structural reforms and to coordinate technical assistance.

Safety of Nuclear Power Plants in the New Independent States of the Former Soviet Union and in Central and Eastern Europe

42. While we recognise the important role nuclear power plays in global energy supplies, the safety of Soviet design nuclear power plants gives cause for great concern. Each State, through its safety authorities and plant operators, is itself responsible for the safety of its nuclear power plants. The new States concerned of the former Soviet Union and the countries of Central and Eastern Europe must give high priority to eliminating this danger. These efforts should be part of a market oriented reform of energy policies encouraging commercial financing for the development of the energy sector.

43. A special effort should be made to improve the safety of these plants. We offer the States concerned our support within the framework of a multilateral programme of action. We look to them to cooperate fully. We call upon other interested States to contribute as well.

44. The programme of action should comprise immediate measures in the following areas:

operational safety improvements;

near term technical improvements to plants based on safety assessments;

enhancing regulatory regimes.

Such measures can achieve early and significant safety gains.

45. In addition, the programme of action is to create the basis for longer term safety improvements by the examination of:

the scope for replacing less safe plants by the development of alternative energy sources and the more efficient use of energy;

the potential for upgrading plants of more recent design.

Complementary to this, we will pursue the early completion of a convention on nuclear safety.

46. The programme of action should develop clear priorities, provide coherence to the measures and ensure their earliest implementation. To implement the immediate measures, the existing G-24 coordination mandate on nuclear safety should be extended to the new States concerned of the former Soviet Union and at the same time made more effective. We all are prepared to strengthen our bilateral assistance.

In addition, we support the setting up of a supplementary multilateral mechanism, as appropriate, to address immediate operational safety and technical safety improvement measures not covered by bilateral programmes. We invite the international community to contribute to the funding. The fund would take account of bilateral funding, be administered by a steering body of donors on the basis of consensus, and be coordinated with and assisted by the G-24 and the EBRD.

47. Decisions on upgrading nuclear power plants of more recent design will require prior clarification of issues concerning plant safety, energy policy, alternative energy sources and financing. To establish a suitable basis on which such decisions can be made, we consider the following measures necessary:

the necessary safety studies should be presented without delay;

together with the competent international organisations, in particular the IEA, the World Bank should prepare the required energy studies including replacement sources of energy and the cost implications. Based on these studies the World Bank and the EBRD should report as expeditiously as possible on potential financing requirements.

48. We shall review the progress made in this action programme at our meeting in 1993.

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

Next Meeting

50. We welcome and have accepted Prime Minister Miyazawa's invitation to Tokyo in 1993.

Political Declaration

SHAPING THE NEW PARTNERSHIP

I.

1. We, the leaders of our seven countries and the representatives of the European Community, support the democratic revolution which has ended the East West confrontation and has fundamentally changed the global political landscape. Since we last met, further dramatic changes have accelerated progress towards democracy, market based economies, and social justice. The way has been opened for a new partnership of shared responsibilities, not only in Europe which at long last is reunited, but also in the Asia Pacific region and elsewhere in the world. We are entering an era where confrontation has given way to cooperation.

2. This new partnership will take many forms. The former adversaries of East and West will cooperate extensively on economic, political and security issues. We look for the worldwide development of similar patterns of cooperation within regions and between regions. As developed countries, we offer continuing support and assistance to developing countries. We believe that transnational problems, in particular the proliferation of weapons of mass destruction, can be solved only through international cooperation. Partnership will flourish as common values take root, based on the principles of political and economic freedom, human rights, democracy, justice and the rule of law. We believe that political and economic freedom are closely linked and mutually reinforcing and that, to that end, good governance and respect for human rights are important criteria in providing economic assistance.

3. The countries of Central and Eastern Europe and the new States of the former Soviet Union can now seize unprecedented opportunities but they also face enormous challenges. We will support them as they move toward the achievement of democratic societies and political and economic freedom. We encourage them to create a stable constitutional and legal framework for their reform programmes and commend their efforts to cut substantially the proportion of public spending devoted to the military sector.

4. The Treaty signed at Maastricht by the twelve members of the European Community is a historic step on the way to European Union. Its implementation will enhance political stability on the European continent and open up new opportunities for cooperation.

5. Since we last met, the creation of the North Atlantic Cooperation Council has enhanced the cooperative relationship of the North Atlantic Alliance with countries in Central and Eastern Europe and with the States of the former Soviet Union. WEU, too, is strengthening its relationship with countries in Central and Eastern Europe.

6. The need for international cooperation has also been underlined by new instabilities and conflicts due to resurgent nationalism and interethnic tensions. Communal and territorial disputes are being settled by force, causing death, destruction, and widespread dislocation of innocent people throughout the former Yugoslavia, in parts of the former Soviet Union and elsewhere in the world.

7. The full and immediate implementation of all CSCE commitments is essential in building security and stability in Europe. All CSCE States must solve their disputes by peaceful means and guarantee the equal treatment of all minorities. We call upon the Helsinki CSCE Summit to take decisions to strengthen the CSCE's capabilities for conflict prevention, crisis management and peaceful resolution of disputes. We also look forward to the establishment of a security cooperation forum at the Helsinki Summit. In this regard, we welcome the recent decisions by NATO foreign ministers and WEU ministers on support for peacekeeping operations carried out under the responsibility of the CSCE. We support the development of a regular and productive dialogue between Japan and the CSCE on matters of common concern.

8. In the Asia Pacific region, existing regional frameworks, such as the ASEAN Post Ministerial Conferences and the Asia Pacific Economic Cooperation, have an important part to play in promoting peace and stability. We are seriously concerned at the present situation in Cambodia and urge all parties concerned to support UNTAC and uphold the still fragile peace process to bring it to a successful conclusion.

9. We welcome Russia's commitment to a foreign policy based on the principle of law and justice. We believe that this represents a basis for full normalization of the Russian Japanese relationship through resolving the territorial issue.

II.

1. The end of the East West confrontation provides a historic opportunity, but also underlines the urgent need to curb the proliferation of nuclear weapons, other weapons of mass destruction and missiles capable of delivering them. We are firmly of the view that the indefinite extension of the Nuclear NonProliferation Treaty at the 1995 Review Conference will be a key step in this process and that the process of nuclear arms control and reduction must be continued. The motivation for nuclear proliferation will also be reduced through efforts to advance regional security.

2. We urge countries not yet parties to the NPT to join. We look forward to the early adherence to the NPT as non-nuclear-weapons States of Ukraine, Kazakhstan and Belarus as well as the other non-Russian States of the former Soviet Union. We shall continue through bilateral contacts and the International Science and Technology Centres in Moscow and Kiev our efforts to inhibit the spread of expertise on weapons of mass destruction. We attach the highest importance to the establishment in the former Soviet Union of effective export controls on nuclear materials, weapons and other sensitive goods and technologies and will offer training and practical assistance to help achieve this.

3. The world needs the most effective possible action to safeguard nuclear materials and to detect and prevent the transfer or the illicit or clandestine production of nuclear weapons. Nuclear cooperation will in future be conditional on adherence to the NPT or an existing equivalent internationally binding agreement as well as on the adoption of full scope International Atomic Energy Agency safeguards, as recently laid down by the Nuclear Suppliers Group. The IAEA must receive the resources necessary to strengthen the existing safeguards regime and to conduct effective special inspections of undeclared but suspect nuclear sites as one means of achieving this. We will support reference by the IAEA of unresolved cases of proliferation to the UN Security Council.

4. We reaffirm our willingness to share the benefits of peaceful nuclear technology with all other States, in accordance with our nonproliferation commitments.

5. We will continue to encourage all countries to adopt the guidelines of the Missile Technology Control Regime and welcome the recent decision by the plenary session of the MTCR to extend the scope of the guidelines to cover missiles capable of delivering all kinds of weapons of mass destruction. Each of us will continue our efforts to improve transparency and consultation in the transfer of conventional weapons and to encourage restraint in such transfers. Provision of full and timely information to the UN Arms Register is an important element in these efforts.

6. We will continue to intensify our cooperation in the area of export controls of sensitive items in the appropriate fora to reduce threats to international security. A major element of this effort is the informal exchange of information to improve and harmonize these export controls.

7. Arms control agreements which have been signed by the former Soviet Union, in particular the START and CFE treaties, must enter into force. The full implementation of the CFE Treaty will create the foundation for the new cooperative security framework in Europe. We welcome the far reaching follow on agreement on strategic nuclear weapons concluded by the US and Russia in June as another major step towards a safer, more stable world. Further measures, in particular the unilaterally announced elimination of ground launched short range nuclear weapons by the United States and the former Soviet Union, should be carried out as soon as possible. We support Russia in its efforts to secure the peaceful use of nuclear materials resulting from the elimination of nuclear weapons. The Geneva negotiations for a convention on the effective global ban on chemical weapons must be successfully concluded this year. We call on all nations to become original signatories to this convention.

III.

1. The new challenges underline the need for strengthening the UN, taking account of changing international circumstances. Since our last meeting in London the tasks and responsibilities of the UN have further increased in a dramatic way, especially in the area of crisis prevention, conflict management and the protection of minorities. The UN has played a central role in the international response to developments in the Gulf, in Cambodia, in the former Yugoslavia and in other regions of the world.

2. We support the UN's role in maintaining international peace and security. The accession to the UN of new States has reinforced the importance of this role. We call upon all these new member States to abide by their solemn undertakings to uphold the purposes and principles of the UN Charter.
3. We reaffirm our commitment to cooperate on existing refugee problems. We deplore action by any State or group against minorities that creates new flows of refugees and displaced persons.
4. We support moves undertaken so far by the Secretary-General to reform the Organization, including the appointment of a high ranking emergency relief coordinator. The Secretary-General's report "An Agenda for Peace" is a valuable contribution to the work of the United Nations on preventive diplomacy, peacemaking and peace-keeping. We assure him of our readiness to provide the political support and resources needed to maintain international peace and security.
5. We strongly support improved cooperation between the UN and regional arrangements and agencies as envisaged in Chapter VIII of the UN Charter, which have an increasing role in solving conflicts.
6. In closing this Declaration, we reaffirm that recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world. Human rights are not at the disposal of individual States or their governments. They cannot be subordinate to the rules of any political, ideological or religious system. The protection and the promotion of human rights remain one of the principal tasks of the community of nations.

CHAIRMAN'S STATEMENT ON POLITICAL ISSUES

[BY FOREIGN MINISTER KLAUS KINKEL]

1. Nagorny Karabakh, Moldova, Ossetia

We deplore the continued fighting in Nagorny Karabakh. We urge the parties to the conflict to cease hostilities immediately and appeal to them to allow additional measures to be carried out such as a troop disengagement and the return of refugees to their native areas. We emphasize that we shall on no account recognize *faits accomplis* brought about by force. We appeal to all parties to the conflict to participate in the negotiations in Rome and later in Minsk with a view to finding a just and lasting political settlement in line with CSCE principles.

We observe with deep concern the escalation of the conflict on the left bank of the Dniestr in the Republic of Moldova. We urgently appeal to all parties concerned to cease hostilities at once and to refrain from any attacks.

We support the efforts to achieve a peaceful settlement made by the Presidents of the Republic of Moldova, Romania, the Russian Federation and Ukraine at the summit meeting of littoral States of the Black Sea in Istanbul on 25 June 1992, and support their appeal to the CSCE to help find a solution.

We appeal to all countries to allow no steps which might serve, politically or materially, to sustain the fighting.

We are pleased to note that the ceasefire in southern Ossetia is being largely observed and appeal to all parties concerned to do everything in their power to expedite a peaceful settlement of the conflict in Georgia. The political leaders in southern and northern Ossetia are again urged to sign and abide by the ceasefire agreement negotiated between the Presidents of the Russian Federation and Georgia. We call upon the parties concerned to quickly bring about a peaceful settlement of the dispute on the basis of CSCE principles, and to respect the territorial integrity of the States affected and the rights of the minority populations living there.

2. The Baltic States

Equal treatment of all minorities in the Baltic States is a basic ingredient of peace and stability in the area.

We understand the concern of the Baltic States about the deadlocked negotiations with Russia on the withdrawal of former Soviet forces. We are also aware of the practical problems facing Russia in removing them. However, these problems must not be allowed to hinder the application of the principle of international law to the effect that military forces may not be stationed on the territory of another State without its consent. It is therefore important to quickly reach agreement in the current negotiations on a timetable for the withdrawal of the troops.

3. Middle East

We affirm our unqualified support for the Middle East peace process initiated by the Madrid peace conference. We express the hope that the direct bilateral negotiations between the parties to the conflict, as well as the multilateral negotiations on regional issues, will lead to a just, lasting and comprehensive peace settlement based on Security Council resolutions 242 and 338.

We welcome the progress made by all five multilateral working groups at their recent first meetings. These talks are a major part of the efforts to promote confidence building between the nations affected on the road to peace in the Middle East. We appeal to all sides to create an atmosphere of confidence and trust.

4. Iraq

We note that Iraq still refuses to comply with all resolutions of the Security Council without reservation. We shall continue to demand the elimination of all Iraqi weapons of mass destruction and the release of all prisoners. We warn the Iraqi regime against repressive actions against all the peoples of Iraq in violation of UN Security Council resolution 688.

Iraq must accept the responsibility for the well being of its citizens and for the equal treatment of its minorities. It is essential for Baghdad to comply with Security Council resolutions 706 and 712 so that

food and medical supplies can be distributed on an equitable basis. We condemn any use of force against those who provide help to the population.

5. Korea

We welcome the progress achieved in the dialogue between North and South Korea. It gives us reason to hope for a further reduction of tension.

We are concerned about North Korea's suspected nuclear weapons programme. The IAEA Safeguards Agreement must be fully implemented and an effective bilateral inspection regime must be put into practice.

6. China

The recent developments towards economic reform in the People's Republic of China are encouraging. We also want to see China making greater efforts towards political reform. The situation with regard to human rights calls for considerable further improvement. We welcome China's accession to the NonProliferation Treaty and her application of the guidelines and parameters of the Missile Technology Control Regime. We hope that China will play a more constructive role in the international sphere.

7. The Mediterranean

We consider it necessary to devote more attention to developments in the Mediterranean. Our aim must be to launch joint efforts to enable the countries concerned to develop in a way that will both maintain peace and security and at the same time promote understanding of the principles of democracy and ensure greater respect for human rights.

We support the recent efforts of the Secretary-General of the United Nations to find a solution to the Cyprus conflict. We call on all sides to cooperate with the Secretary-General to seize the present opportunity to negotiate a settlement to this longstanding and tragic problem along the lines of Security Council resolution 750.

8. Africa

In Africa respect for basic human rights, political pluralism and market economy systems are gaining ground. We will continue to support this process of political and economic reform.

Substantial progress towards the complete dismantling of apartheid in South Africa has been interrupted by another instance of brutal violence. We call on all sides to resume negotiations as soon as possible and make greater efforts to prevent violence. We appeal to all parties concerned to continue through negotiations on the path to democracy devoid of racial barriers. Sustainable economic growth is essential for an enduring solution of South Africa's problems.

The situation in the Horn of Africa is still alarming. Ethnic strife in Ethiopia continues even after the controversial elections.

The ending of anarchy, chaos, violence and hunger in Somalia still depends on the willingness of numerous local groupings to allow the United Nations, the International Committee of the Red Cross and other organizations to bring in food and medical supplies for the people. We welcome and support the UN peace mission for Somalia, UNOSOM.

9. Latin America

We appreciate the progress achieved in consolidating democracy and market economy structures in Latin America.

In this connection we welcome the efforts of the OAS including sanctions to secure Haiti's return to constitutional order.

We also look forward to Peru's return to constitutional order.

We welcome the signing of the peace agreement for El Salvador and the efforts of both parties to implement it quickly.

We encourage efforts in other countries of the region to settle ongoing conflicts.

There is growing recognition in the region that the mastering of global challenges, such as environmental protection and drug trafficking, calls for close international cooperation. We are prepared to participate in and support cooperation in the region. The growing links between terrorist organizations and drug traffickers fill us with concern.

The steps Argentina and Brazil have taken to allow full inspection of their nuclear activities, and their decision to give effect to the Treaty of Tlateloco and to consider signing the comprehensive safeguards agreement with the IAEA, will be conducive to cooperation in this sphere as well.

10. Drugs

Through our initiatives of recent years we have considerably strengthened international cooperation to combat drug trafficking. Meanwhile well over twenty countries, as well as the European Community and various international organizations, including the UN International Drug Control Programme, are involved in the work of the Financial Action Task Force to investigate the laundering of drug money, and of the Chemical Action Task Force to prevent chemicals being diverted to the illicit manufacture of drugs. The fight against drugs remains a major challenge. In order to meet this challenge effectively we shall continue our efforts to achieve broad international cooperation. In this context we attach special importance to the role of the United Nations, especially its Drug Control Programme.

11. Terrorism

We condemn terrorism in all its forms and reaffirm our resolve to cooperate in combating it. We call upon all countries involved to renounce support for terrorism, including financial support, and to take effective action to deny the use of their territory to terrorist organizations.

We denounce equally strongly the taking of hostages. We welcome the recent release of two hostages in Lebanon. We call again for the immediate and unconditional release of all hostages who may still be held and for an accounting for all persons taken hostage who may have died while being held.

We underline the need for Libya to comply with Security Council resolutions 731 and 748 promptly and fully. We call upon all countries to enforce rigorously the sanctions against Libya so that those responsible for the bombings of PA 103 and UTA 772 may be brought to justice and Libya's support for terrorism may be ended.

We support the measures of the International Civil Aviation Organization aimed at increased security in civil aviation. We consider the Convention on the Marking of Plastic Explosives for the Purpose of Detection to be a significant step towards this aim.

DECLARATION ON FORMER YUGOSLAVIA

We, the leaders of our seven countries and the representatives of the European Community, are deeply concerned about the ongoing Yugoslav crisis. We strongly condemn the use of violence in the former Yugoslavia and deplore the suffering inflicted upon its population. We particularly deplore those actions directed against civilian populations as well as the forced expulsion of ethnic groups. Although all parties have contributed to this state of affairs the Serbian leadership and the Yugoslav Army controlled by it bear the greatest share of the responsibility.

We support the EC Conference on Yugoslavia chaired by Lord Carrington as a key forum for ensuring a durable and equitable political solution to the outstanding problems of the former Yugoslavia, including constitutional arrangements for Bosnia and Herzegovina. We call on all parties to resume negotiations in that Conference in good faith and without preconditions. We also welcome close consultations between the Conference chaired by Lord Carrington, the EC, the UN and the other parties concerned with the Yugoslav crisis. These consultations could lead to the holding of a broader international conference to address unresolved questions, including issues related to minorities. We stress the absolute need for the parties in former Yugoslavia to show the will for peace, which is indispensable to success and without which the peoples of former Yugoslavia will continue to suffer.

The tragic humanitarian situation especially in Bosnia and Herzegovina is unacceptable. We fully endorse the efforts of the international community to provide relief. We welcome the efforts made in achieving the opening of the airport of Sarajevo and we support actions taken by UNPROFOR to secure the airport. The blockade of Sarajevo must be lifted and the shelling of the town stopped in order to sustain a comprehensive relief operation.

We express our gratitude to all participants in the airlift to Sarajevo and the supply of its population. We appeal to all parties in Bosnia and Herzegovina not to imperil the humanitarian effort. We firmly warn the parties concerned, including irregular forces, not to take any action that would endanger the lives of those engaged in the relief operation. Should these efforts fail due to an unwillingness of those concerned to fully cooperate with the United Nations we believe the Security Council will have to consider other measures, not excluding military means, to achieve its humanitarian objectives.

The airlift to Sarajevo can only be the beginning of a larger humanitarian effort. Safe access by road to Sarajevo as well as to other parts of Bosnia and Herzegovina in need must be guaranteed.

The needs of hundreds of thousands of refugees and displaced persons require further significant financial support. We are willing to contribute and ask others also to make fair contributions.

We underline the need for Serbia and Croatia to respect the territorial integrity of Bosnia and Herzegovina and for all military forces not subject to the authority of the Government of Bosnia and Herzegovina to either be withdrawn or disbanded and disarmed with their weapons placed under the effective international monitoring.

We call on all parties to prevent the conflict from spreading to other parts of the former Yugoslavia.

We urge the Serbian leadership to respect minority rights in full, to refrain from further repression in Kosovo and to engage in serious dialogue with representatives of Kosovo with a view to defining a status of autonomy according to the draft convention of the EC Conference on Yugoslavia.

Sanctions decided by the UN Security Council in resolution 757 as well as all other provisions of relevant UN resolutions must be fully implemented.

We support the efforts of the UN peace keeping forces in implementing the UN peace plan for Croatia in all its elements. We demand that Serbs and Croats extend their full cooperation to the UN peace plan and make every effort to bring the bloodshed in Croatia to an end.

We do not accept Serbia and Montenegro as the sole successor state of the former Yugoslavia. We call for the suspension of the delegation of Yugoslavia in the proceedings of the CSCE and other relevant international fora and organizations.