



INTERACTION COUNCIL

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InterAction Council

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Final Communiqué

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1. Recognizing that world peace is being threatened on two fronts, the politico-military and the economic, the InterAction Council agreed to attach high priority to three issues:
 - (a) The promotion of peace and disarmament;
 - (b) The revitalization of the world economy, in particular by way of lowering interest rates and dealing with the problems of external debt;
 - (c) The strengthening of co-operation for development.
2. The InterAction Council of former Heads of Government had an intensive and frank exchange of views on a number of critical issues concerning peace and development. The questions of disarmament, of rising tensions in the world, and of the revitalization of the world economy were considered at some length.
3. Members of the Council expressed their conviction that the world is now threatened by the most dangerous situation it has faced since the end of the Second World War.
4. The Council appealed to the world community to respect sovereignty and pluralism and to refrain from all forms of intervention in the affairs of other nations.

I . Peace and Disarmament

5. The members of the InterAction Council, particularly preoccupied with the potential dangers inherent in all kinds of armaments in Europe and in other regions, which endanger peace and security in the entire world, decided to appeal to the parties involved in arms control and reduction talks, particularly those currently being conducted in Geneva, to make every effort to reach effective agreement and, in the interest of humanity, to avoid a breakdown in these talks.
6. The appeal of the Council extends to all the nations of the world to halt the expansion of, and to initiate effective measures to reduce the enormous stockpiles of conventional and nuclear weapons, which now exist in virtually every region of the world.
7. The Council concluded that peace would be enormously strengthened if a situation could be achieved in which there were no medium-range missiles in Europe and in other parts of the world.

8. Members of the InterAction Council reviewed various centres of tension in the world and expressed their profound concern at the developments in the Middle East, Asia, Central America and the Caribbean, where small countries are involved in conflicts which reflect, and are exacerbated by, the interests of distant powers.
9. Peace in these and other parts of the world can be restored only if justice, freedom and human rights prevail. In this context, members of the InterAction Council deplored the despicable system of apartheid as a continuous source of tension and injustice.
10. The Council considers it especially important that the export of weapons and armaments be controlled, particularly those destined to developing countries. While benefitting the economies of the exporting countries, these exports may threaten the security of the receiving countries and directly or indirectly inhibit their economic development and social progress.
11. To avoid global tragedy, which could be triggered by minor and accidental incidents, the Council agreed upon the need to diminish the risks through effective measures and strengthened communication at the highest political levels.
12. The InterAction Council requests its Executive Committee to take those measures it deems necessary and appropriate which might help ease tensions, and to involve all members of the Council in such activities.

II. Revitalization of the World Economy

13. The participants in the meeting unanimously recognized that world peace is also threatened on the economic front. Many of the countries of the world are facing recession with diminished productive capacities, reduced investment and high levels of unemployment. Developing countries are in a position of unprecedented difficulty.
14. The Council considers that the revitalization of the world economy is seriously restrained by the effects of the current high levels of real interest rates. These, in turn, are to a considerable extent the result of continuing and substantial public sector deficits in some major developed countries. The Council, therefore, calls on those developed countries which play a predominant role in world economic affairs to concert their economic and monetary policies and to reduce their deficits so as to lower the current high levels of interest rates and improve the stability and alignment of exchange rates.
15. The InterAction Council expressed serious concern at the position of developing countries, whose international debt has grown significantly in recent years. The burden of debt is causing grave problems for many developing countries and, under present circumstances, the danger of default is imminent. If the major debtor countries from the developing world should default, this would have major implications for the international financial and banking systems. Such a development could lead to a breakdown as serious as that which occurred in

the 1930s. The InterAction Council draws attention to the fact that the mandate of the International Monetary Fund as derived from its Articles of Agreement, inadequate access to markets and adverse movements in the terms of trade experienced by developing countries, and the continuation of the developed countries' deficits have all contributed to this situation. The structural imbalances which underlie this situation require most urgent attention.

16. The InterAction Council, therefore, intends to propose short-, medium- and long-term measures to resolve the problems of developing country debt. The Council calls for:

(a) Urgent measures to meet the immediate debt problems of developing debtor nations through such measures, as, inter alia, a short-term moratorium where necessary, the reduction of effective interest rates, rearranged payments schedules and the cancellation of debt in whole or in part, and

(b) An urgent increase in the resources of the International Monetary Fund and more appropriate IMF conditionality, which must be more sensitive to the social and political situations and development strategies of the developing countries.

17. The period of grace which would be achieved through the adoption of the above measures should be used to promote the convening of a major international monetary conference, not later than 1984, to examine and propose constructive measures to:

(a) Shift attention from crisis management, which treats the symptoms of economic crisis, to a more integrated approach which must be part of the long-term restructuring of the pattern of international economic relations, and

(b) Correlate the issues of trade and access to markets, the debt of developing countries, the internal deficits of the industrialized nations and stabilization of exchange rates among major economic groupings.

18. The Council noted that proposals to foster free trade often failed because of opposition by one or several countries. Therefore, the Council intends to give priority attention to a new code against protectionism covering industrial goods, agricultural goods and services, the combination of which is not adequately covered by existing arrangements. The code would be open to interested nations and designed both to encourage co-operation among those nations that are prepared to promote freer trade and to remove the right of veto of major powers as has existed in the past multilateral trade negotiations.

III. Development and Population

19. The Council intends to promote the accelerated development of the developing countries. It will seek, through missions, consultations, public relations activities and other means, to

increase and sustain the flows of financial and other resources to developing countries through both public and private channels, with particular emphasis on the transfer of science and technology. This will require sustained efforts by the Council to enhance public awareness in some key developed countries of the seriousness and urgency of development problems and of the essential common interests of developing and developed countries. The Council will also pay particular attention to the critical world population problem.

20. The Council decided, in view of the vital importance of official development assistance to the least developed countries, which most severely suffer from poverty, hunger and natural disasters, to undertake consultations with donor governments aimed at encouraging a rapid increase in concessional assistance to these countries, together with other measures to increase their earnings and broaden their sources of finance.
21. The Council agreed to undertake, after further preparation, a series of broadly-based consultations in developing and developed countries to gradually define and gain support for a major long-term programme of increased development co-operation. This programme will require the full participation of developing and developed countries, in a coherent and sustained effort for at least ten years, to promote self-sustaining economic growth in the developing countries, respecting their particular needs and objectives, and thus enabling them to participate positively in the revitalization of the world economy as a whole.

IV. The Role of the United Nations

22. The Council reaffirmed its conviction that the United Nations Organization has a critically important role to play in the examination and solution of the major issues confronting humanity - peace, disarmament and world development.



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