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L A T I N     A M E R I C A

UNOFFICIAL TRANSLATION

THE ACAPULCO COMMITMENT FOR PEACE, DEVELOPMENT AND DEMOCRACY

We, the Heads of State of the member countries of the Permanent Mechanism for Consultation and Political Coordination: Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela, having met in Acapulco, Mexico, have held discussions in this city in order to examine the great political and economic challenges faced by our countries, so as to attempt to find, on the basis of the fundamental affinities that unite us, the answers to the aspirations and legitimate needs for progress and welfare of our peoples.

1. The criterion governing our work was based on the essential agreement that it is imperative to deepen the political cooperation between our Governments, in view of the encouraging experience of the Permanent Mechanism for Consultation and Political Coordination and its immediate predecessor: the action by the Contadora and Support Groups. We are decidedly inspired by the appreciation of a community of interests, of the same vocation for democracy with development, of justice and independence and of a shared feeling of solidarity with all the peoples of our region: Latin America and the Caribbean. This ample convergence of interests lead us to conclude that the Permanent Mechanism offers the opportunity and the framework for us to meet annually.

2. International negotiation requires the formation of a joint authority with influence and decision. Consequently, only a greater identity and better articulation of the interests of Latin America and the Caribbean will reduce the region's vulnerability faced with external factors. This purpose is a response to the historical advancement of our peoples, as well as a concept of shared responsibility in the solution of the problems affecting the international community.

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[This unofficial translation was provided by Senor Lorenzo Vignal, Charge d'Affaires a.i., of the Embassy of Mexico, Canberra. As a result of these agreements, the European Communities were able to adopt measures liberalising the communities' aviation policy: Official Journal L374, 31 December, 1987].

3. We call on the Heads of State of the industrialized countries to participate in a political dialogue which may enable us to overcome any obstacles to development, the rearrangement of world economy and decision-making on questions of peace and security.

4 Imbued with our peoples' ideal of unity and democracy, we fraternally invite the rulers of Latin America and the Caribbean to join us in renewing our commitment towards integration and cooperation for a development that may lead to the authentic community of all our nations.

5. Our peoples show today a clear awareness of the magnitude and nature of the challenges that their countries face internally, as well as of the process of their inclusion in the international community. Hence our agreement about the historic need to build a joint development plan based on the initiative and the capacity of each, as well as the will to give impulse to regional integration, the strengthening of cultural identity and a more effective presence of our countries in international relations.

6. It is necessary to translate the strength of our solidarity into facts. Hence the agreement by us, the eight Heads of State who are meeting in Acapulco, to contribute to define a development plan for Latin America and the Caribbean, forged on coordination and integration for peace, security, democracy and social welfare, as demanded by our peoples' legitimate aspirations of progress.

#### Impact of the International Situation in our Region.

7. In analysing the evolution of the contemporary world, we concentrate our attention on those political and economic events which influence the viability of our development and over which our Governments should exert more influence.

8. Tensions between the superpowers feed a nuclear arsenal that threatens the security of all countries and life itself on the planet, and continue to cause the diversion of financial, scientific and technological resources towards armaments, instead of development. This phenomenon causes imbalance and disadjustment in the international economic system, it intensifies political, strategic and ideological competitiveness between power blocks, aggravates regional conflicts and transfers tensions to the developing countries, affecting their possibilities of progress in peace and stability and, in some cases, their capacity of free determination.

9. We observe with approval the advances made in the negotiations between the United States and the Soviet Union to find agreements in the matter of elimination of short and medium range nuclear missiles. However, these efforts are made outside the multilateral system and, especially, of the

Geneva Conference on Disarmament. Consequently, they should be complemented with the reinforcement of the multilateral mechanisms contained in the United Nations Charter, aiming towards the effective participation of the whole international community in security, preservation of peace, and cooperation. It is urgent that these agreements be translated also into a reduction of military expenditure and armaments race in other areas, as well as the cessation of tensions which have such devastating effects on regional conflicts. The latter, with full respect for the free determination and interests of the countries involved.

10. The transnational financial currents between the main industrialized countries have expanded to the point of decisively influencing all aspects of economic life. Their instability, together with the imbalances prevailing between those same countries due to a lack of responsible adjustment that would simultaneously encourage world growth, has been clearly proved in the recent fall of the world's main share markets. These events show that, in a growing climate of uncertainty, the possibilities of an international recession increase, affecting the development and welfare of the peoples of the whole world. At the same time there is no multilateral action which allows for an effective coordination of policies in which developing countries can participate, in order to revitalize world economy and trade.

11. The disadjustments of the international economic system have affected our economies profoundly, and constitute a source of instability and recession. During this decade, we have faced a regression in international economic cooperation. The foreign debt problem, the massive transfer of financial resources abroad, the extraordinary increase in interest rates, the deterioration in the terms of trade, and the proliferation of protectionism, have led to a reduction in the standards of living and the possibilities of autonomous development in our countries.

12. The economic crisis threatens democracy in the region, because it sterilizes the legitimate efforts of our peoples to improve their living standards. Besides, it is contradictory that those who make appeals in favour of democracy should impose, in international economic relations, schemes of conditioning which they do not apply in the correction of their own imbalances.

13. The economic crisis in the region appears almost generally in the simultaneous and persistent deterioration in production and savings and the fall of real income. At times when it is necessary to increase investment, as part of a process of adaptation to the transformations of international economy, the countries of our region as a whole have been forced into sending unsustainable amounts of their savings overseas, to service their foreign debt.

14. In the countries of the region, the social effects of the crisis can also be seen in the contraction of public expenditure in education, health, housing, infrastructure and services. The capacity for manoeuvring in the economic and social policy has been limited and, despite the efforts made to maintain those programmes and services which benefit the most helpless groups, poverty has increased while work and progress opportunities have diminished.

15. The advanced technologies' oligopolic control has generated a new international division of labour, that restricts the propagation of technological development and causes loss of competitiveness in our products in international markets, mainly with the growing substitution of the principal raw materials. This new international division of labour reinforces the exclusion of developing countries from the productive structure and the centres of international decision-making and creates new forms of dependency and asymmetry.

16. Conscious of its main responsibility towards its own process of development, the region has made extraordinary efforts to adjust and reorganize its economies, at the same time as structural changes have been induced to modernize production systems. However, self-discipline has not been sufficient. It is evident that no lasting economic programme will be compatible with the objective of sustained growth if the massive transfer of financial resources abroad is not reversed, limiting the servicing of the debt to each country's real capacity for payment. Likewise, it is necessary to overcome the unfavourable external economic context through a joint action by the international community.

17. In the area of international trade, the obstacles faced by our countries are made worse by the resorting to unilateral decisions which frontally violate the regulations listed in the General Agreement on Tariffs and Trade, (GATT). Besides seeking only the satisfaction of narrow national interests, by means of restrictive and discriminatory measures between the signatories of the General Agreement, these decisions are a direct threat against international law and put in doubt the survival of the rules of the multilateral trade system and especially, of its basic mechanisms for the solution of controversies.

18. The crisis in the mechanisms of international cooperation contributes to generate instability in the world economy. An evident example of this phenomenon is the weakening of multilateralism. International organizations have ceased to receive the support of some developed countries, thus attacking the formation of a system of relations between States which is based on the rule of international law, equity and justice.

19 This serious outlook also has a negative effect in the areas of culture and education, the importance of which for peace, democracy, integration and development of our region is not fully recognised. We are preparing ourselves, therefore, to defend our patrimony and cultural creation, conceived as the genuine expression of our peoples, in the same way as we undertake to strengthen education, which is a basic right of our societies.

#### The Main Challenges for our Countries.

20. In the above described context, we, the eight Presidents, have identified the main challenges that must be faced by our countries in their efforts towards coordination and development in order to put forward a viable political plan:

- Preservation of peace and security in the region;
- Consolidation of democracy and respect for human rights;
- Recovery of our societies' capacity to generate sustained and autonomous development;
- Solution to the foreign debt problem;
- Establishment of a fair international trade system, open and free of protectionisms;
- Initiate the process of integration between our countries and the whole of Latin America and the Caribbean;
- More effective participation of our countries in international economy;
- Autonomous and accelerated development of science and technology;
- Strengthening of the negotiating capacity of the eight governments and the region as a whole;
- Reaffirmation of cultural identity in the region and exchange of educational experiences.

#### Security of our Region. Peace, Democracy and Development.

21. In order to deepen actions in favour of development in democracy, justice and independence, we believe it necessary to affirm the concept that security in our region must not only look at the aspects of peace and stability but also those of political, economic and financial vulnerability. In this sense, we have undertaken to coordinate action to:

- Stimulate initiatives in favour of international disarmament and security;
- Encourage reciprocal trust and self-solutions to the problems and conflicts affecting the region;
- Contribute, by means of cooperation and consultation, to the defence, strengthening and consolidation of democratic institutions.
- Initiate and expand the political dialogue with other States and groups of States, inside and outside the region;

- Coordinate positions with the aim to strengthen multi-lateralism and democracy in international decision-making;
- Promote the establishment of peace and cooperation zones;
- Encourage the processes of integration and cooperation to strengthen the region's autonomy;
- Initiate an active and coordinated battle to eradicate absolute poverty;
- Reinforce cooperation against drug trafficking, as well as against terrorism.

22. Peace in our region is deeply tied to respect for the principles of free determination of peoples, non-intervention in the internal affairs of States, peaceful resolution of controversies, proscription of threats or the use of force, equality of the States before the law and international cooperation for development.

23 The action of the Contadora and Support Groups constitutes an unprecedented experience of Latin American coordination in matters of regional peace and security, which has decidedly contributed to the celebration of the agreement reached in Guatemala by the five Central American Presidents. "Esquipulas II" is the sovereign expression of the Central American countries' political will to solve conflicts through dialogue, outside the East/West confrontation and with respect for the legitimate interests of all States. Important steps have been taken in the process of fulfilment of the commitments undertaken, which has shown promising progress and must continue to receive the widest support from the international community.

24. We express our appreciation to the governments and sectors involved in the Central American societies for these important achievements, which give hope to the shared objective of attaining a stable peace and democracy in the region. Particularly, we wish to point out the progress made in matters of national reconciliation, amnesty, reestablishment of basic liberties and constitution of a Central American Parliament.

25. We are fully conscious of the enormous difficulties in the complete and punctual fulfilment of the Esquipulas Agreements, but progress already made encourage us to make an impassioned appeal for the continuation of simultaneous progress in all the commitments undertaken.

26. We will continue to give active and solidary impulse to the process of diplomatic negotiation as a whole. We affirm, in particular, the responsibility of our Governments in the International Commission of Verification and Follow-up

27. We appeal to the governments with interests and ties in the region to genuinely contribute to this process and to respect the principles of non-intervention and free determination which are fundamental to the harmonious co-existence of the Central American States

28 The negotiating process in course must be accompanied by an improvement in the economic and social situation of the countries of the area. Therefore, we have agreed to support the launching of an emergency international programme for economic cooperation for the Central American countries which will include measures for the reconstruction of their economies. The main outline to our participation in this programme would be, among others:

- a) Measures to stimulate inter-regional trade in Central America and granting of facilities for the access of exports from this area to our countries' markets;
- b) Strengthening of financial cooperation between our countries and Central America, including the contribution of resources to their financial organisations, such as the Central American Bank for Economic Integration;
- c) Support to the efforts to re-vitalize the scheme for Central American integration;
- d) Specific projects in the areas of emergency food aid, identification and execution of farming and industrial farming projects, as well as training of human resources. Likewise, it will be proposed to the United Nations High Commissioner for Refugees that an integral emergency plan for refugees and displaced persons of the region be implemented.

29. In the above, however, all countries committed to peace and development must participate, as well as the institutions for Central American integration, regional institutions and international economic organizations

30. We reaffirm, once more, that peace and stability in Central America are matters of priority to our governments. Not only is the consolidation of democracy and development with free determination of the Central American peoples on the line, but also the national interests of those countries.

31. We believe that the faithful fulfilment of the Panama Canal Treaties of 1977, which include the handing over of the said Canal to the exclusive control of Panama, is of fundamental importance to the preservation of peace and security in the region.

32. We also reiterate our support for the legitimate rights of sovereignty of the Argentine Republic over the Malvinas Islands, and we express the need to reach an early solution to the dispute through negotiations by the parties.

33. We place on record the importance of the declaration of a Peace and Cooperation Zone in the South Atlantic, which was approved by the United Nations General Assembly, for the rapprochement of the peoples of Latin America and Africa.

We reaffirm the need to avoid the introduction of nuclear weapons in the region and to preserve it from the tensions derived from the confrontations between military blocks. We encourage the creation of similar mechanisms in the South Pacific and in other areas of the region.

34 We reiterate our decision to continue individually and collectively with our fight against drug trafficking in its various expressions. At the same time, we point out that this objective will not be attained unless we can count on the coordinated action of all States, especially the industrialized ones where the greatest consumption centres are.

35 We support the design and execution of a regional plan to promote a coordinated action by our countries to eradicate absolute poverty. In this sense, we reaffirm our commitment to continue giving impulse to measures to improve the quality of life in the most destitute sectors.

36. The Latin American Parliament, whose institutionalization treaty was signed recently by our governments and those of ten other countries of Latin America and the Caribbean, constitutes a significant contribution to solidarity and coordination among Latin Americans. This initiative has been supported by our eight governments, in the certainty that it will translate into an effective means to strengthen democracy and give impulse to integration in the region

#### SOCIAL AND ECONOMIC DEVELOPMENT

##### Foreign Debt

37 The recovery of a sustained economic growth, improvement of the standard of living of our peoples and the strengthening of democratic processes in the area require a fair and permanent solution to the foreign debt problem, as well as undeferable measures to diminish the weight of servicing the said debt. To this end it is necessary to overcome the uncertainty derived from the international economic instability and to reverse net transfers of resources abroad, including those resulting from the deterioration of the terms of exchange.

38. The results reached up to now are insufficient. Nevertheless, growing recognition has been achieved of the fact that any viable solution must incorporate as a necessary condition the sustained growth of the debtor countries; that the servicing of the debt must be according to each country's capacity for payment; of the political nature of the problem; of the joint responsibility of debtors and creditors on this matter, as well as of the need to establish contingency measures to lighten the negative impact of external factors beyond the debtor countries' control



39 Negotiations to date have not reflected these principles. They represent only temporary palliatives and do not constitute a permanent solution to the problem, since the weight of the debt has increased. Negotiating processes are recurrent, too long and complex, generating uncertainty as to how the long term policies are designed and the decisions on investment and autonomous financing currents are inhibited.

40. In order to advance towards a final solution of the problem it is necessary, therefore, that those principles that are widely recognised be translated into concrete actions and efforts by all parties concerned, in a framework of joint responsibility and equity.

41. In order to face the most immediate aspects of the problem, and in view of the impossibility to meet the servicing of the debt beyond the capacity for payment of the debtor countries, adjusting this servicing to the needs of their development, we have decided to direct our actions in the negotiations in accordance with the following guidelines

1) Ensure sufficient credits and adequate terms from the commercial banks, which will allow for the continuation of the development programmes, will limit the net transfer of resources and will finance an appropriate proportion of the interests or other commitments with the said banks. Without this financing, the servicing of the debt is not possible.

2) Establish limits to the interest rates in accordance with the course of action decided by the parties with the aim of giving a greater certainty and continuity to the development programmes and the foreseeability of the economic management.

42. In order to advance in the search of a permanent solution to the problem, we have decided to instruct our Ministers so that, as soon as possible, they may undertake negotiations with the governments of the industrialized countries, the international financing organizations or the commercial banks, as appropriate, in order to:

a) Create mechanisms which will allow our countries to benefit from the discounts in the value of the respective debts in the market, with the consequent reduction of the servicing of the same.

b) Give impulse to the widening of mechanisms that compensate transitory fluctuations out of the control of debtor countries as is the case of the interest rates. These mechanisms must not be subject to any conditioning.

c) Coordinate efforts in order to widen the resource bases of the international financial organisations and promote new policies by them to ensure adequate net flows to the developing countries. Particularly:

- To revise IMF policies so as to ensure an adjustment with growth
- To encourage an active role for the World Bank, congruent with its nature of developing bank, in the drawing up of new mechanisms that may contribute to the solution of the debt problem, amongst which must be included the use of its capacity to give guarantees;
- To maintain the multilateral nature of the Interamerican Development Bank in decision-making, and to ensure that it has the resources to be a net contributor to the external financing of the region.

d) Separate the granting and payment of commercial banks' credits from agreements with the IMF and the World Bank.

e) Object to crossed conditionings in financial programmes with multilateral organizations, and the establishment of prior conditions in negotiations with the Club de Paris.

f) Put forward to the governments of creditor countries that relief formulas for debts acquired with their official credit organizations be adopted, in order to avoid the generation of negative flows from our countries. Additionally, to promote flexibility in the rules and regulations applicable, which would make it possible to find innovative solutions to the problem of foreign debts.

g) Support the countries with smaller relative development in the region, so that they may obtain especially favourable conditions in the negotiation of their foreign debts, besides those instituted by Latin American countries.

h) Ensure, within the framework of the Uruguay Round, the connection between the payment of financial obligations and access of exports from debtor countries to international markets.

43 These negotiations will be carried out in the framework of constant coordination and consultation between our governments. Should these advances not be fulfilled in due course, some countries, in view of their own circumstances, may be forced to take unilateral measures to limit the servicing of their debt congruently with their development needs. In this sense, we express our solidarity with the countries which, exercising their sovereignty, take measures to limit the servicing of their debt to their capacity for payment.

#### International Trade

44 We agree to strengthen the permanent procedures for consultation and coordination to harmonize our positions in international trade negotiations at the Uruguay Round. We propose to join efforts to ensure the fulfilment of the commitments signed by the industrialized countries in the Declaration Punta del Este, particularly those which refer

to the elimination of protectionist barriers and agricultural subsidies. Likewise, we wish to see that the negotiations of the Round will contribute to solve the monetary and financial problems against development. We also decided to strengthen our cooperation so that the results of the negotiations over services, intellectual property and investment related to trade, should not interfere with the autonomous development of productive sectors in our countries. We reiterate that the principle of special and more favourable treatment for developing countries must be reinforced.

45. We undertake to act jointly to fight unilateral decisions based on internal legislation or on policies of force and to fight, so that a strengthened international trade system enforces its rules and regulations as a necessary condition for the economic security and sovereignty of our countries. Likewise, we object to the demand of unilateral trade concessions on the part of countries in the area as a condition to obtain external financing.

#### REGIONAL INTEGRATION

46. Regional integration is a political undertaking of essential importance to our countries and an instrument for change and modernization which must engage the active participation of all economic and social agents.

47. We are clearly conscious of the urgent need to strengthen regional integration and cooperation. To this end, we are determined to have them form part of our national political projects. Integration is the indispensable instrument to guarantee the more effective participation of the region in international relations, extending its negotiating capacity with third parties.

48. We undertake the commitment to reinforce the integration processes in which our countries participate and support others that are being carried out in the region. We will give particular attention to mechanisms of cooperation and integration between our countries, aimed at solving and looking after the basic social needs of our peoples. Similarly, we have decided to deepen the initiatives of cooperation between our countries and to widen and diversify our reciprocal trade, including substitution of imports from outside the region. It is also necessary to take advantage of the potential of economic complementation. To this end we will attempt to adapt financial and payment mechanisms to support regional integration.

49. These measures as a whole will favour the gradual and progressive establishment of an extended economic space in the region, and will have the final aim to converge towards a Latin American common market.

50. Similarly, we recognise the need to contribute to the better functioning of the Latin American cooperation and integration mechanisms, as well as to their more effective coordination, with a clear definition of their fields of operation.

51. On the other hand, we recognise the convenience that Latin American countries should find, by means of cooperation, a solution to the inter-regional debt problem. We also attach importance to the launching of the Latin American programme of technical assistance and exchange of information as regards the foreign debt, approved by the Cartagena Consensus.

52. We agree to give impulse to an association and cooperation programme in science and technology, which will unite the national public and private capabilities, to advance towards the autonomous disposition of technologies in priority areas, particularly in advanced technology.

53. The said programme would include joint actions which, among other things, will stress the importance of the formation of human resources; the articulation of national scientific and technological information networks; the full and coordinated use of international organizations' programmes and formulation of joint cooperation projects.

54. We recognise in our cultural patrimony an irrenounceable element of Latin American personality, which allows us to join in the complex realities of the modern world keeping our historical roots. That patrimony will also help to strengthen democracy as an expression of our own way of life and values. We also undertake to see that cultural integration will give impulse to global development and the amalgamation of our societies.

55. Considering the vital role of our societies in the promotion of culture, we will make joint efforts to have national laws adopted in order to encourage the production of cultural property, mobilizing production sectors to apply resources in this area, so as to propitiate a greater knowledge between our peoples and to intensify cultural and educational exchange.

56. We have agreed, in the field of education, to encourage exchanges of our experiences in matters of literacy and on various levels of teaching. Likewise, to increase joint experiences in the areas of research, the formation of human resources and editorial production.

57. Aware of the importance of the educational and cultural rapprochement as an instrument which would aid regional integration, our governments will promote actions in the field of culture, that will include the preservation and enrichment of the historic and natural patrimony, and the utilization of means of social communication for a

better knowledge of the region's values. Also, wider links and cooperation in matters of artistic and cultural creation will be promoted. Our governments will award sufficient resources to this end.

58. The promotion of culture and education within the region will help attain an environment of freedom in which the genuine expression of our peoples will flourish, popular and traditional cultures will strengthen, access to cultural, artistic and patrimonial property will increase for all social groups, as well as to the various levels of education.

59. Finally, we have instructed our Foreign Ministers to examine during their next meeting, in Cartagena, Colombia, a series of guidelines for cooperation derived from this Agreement of Acapulco for Peace, Development and Democracy, that we are signing today.

60. Encouraged by the fruitful results of this first meeting of eight Latin American Presidents, we have agreed to meet again in Uruguay during the second semester of 1988.

Acapulco, Mexico, 29 November 1987.

Raul Alfonsin,  
President of the Argentine Republic

Virgilio Barco,  
President of the Republic of Colombia

Eric Arturo Delvalle,  
President of the Republic of Panama

Julio Maria Sanguinetti,  
President of the Oriental Republic of Uruguay

Jose Sarney,  
President of the Federative Republic of Brazil

Miguel de la Madrid,  
President of the United Mexican States

Alan Garcia,  
President of the Republic of Peru

Jaime Lusinchi,  
President of the Republic of Venezuela.

We, the Presidents of Argentina, Brazil, Colombia, Panama, Peru, Uruguay and Venezuela wish to thank the President of Mexico, Miguel de la Madrid, for his kind invitation for us to meet in the city of Acapulco, and we express our appreciation to the people and the Government of Mexico for their hospitality and contribution to the fulfilment of this historic Latin American meeting.

Acapulco, 29 November 1987

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