



INTERACTION COUNCIL

IAC/2

FINAL STATEMENT
Adopted at the First Session
VIENNA
16-18 November 1983

1. The InterAction Council of former Heads of Government held its first session in the Hofburg Palace in Vienna from 16 to 18 November 1983. The Council, chaired by Dr. Kurt Waldheim, former Secretary-General of the United Nations, is comprised of 26 highly respected members who have agreed to pool their experience, in their individual capacities, to promote action on priority issues affecting world peace and development. The participants at the Vienna meeting were as follows:

Kurt Waldheim, Secretary-General of the United Nations, 1971-1981,
Chairman

Ahmadou Ahidjo, President of the United Republic of Cameroon,
1960-1982

Kirti Nidhi Bista, Prime Minister of the Kingdom of Nepal,
1969-1970, 1971-1973 and 1977-1979

Jacques Chaban-Delmas, Prime Minister of France, 1969-1972

Kriangsak Chomanan, Prime Minister of Thailand, 1977-1980

Mathias Mainza Chona, Prime Minister of the Republic of Zambia,
1973-1975 and 1977-1978

Jenő Fock, Chairman of the Council of Ministers of the Hungarian
People's Republic, 1967-1975

Malcolm Fraser, Prime Minister of Australia, 1975-1983

Takeo Fukuda, Prime Minister of Japan, 1976-1978

Kurt Furgler, President of Switzerland, 1977 and 1981

Selim Hoss, Prime Minister of Lebanon, 1976-1980

Manea Mănescu, Prime Minister of the Government, Socialist Republic of Romania, 1974-1979

Michael Manley, Prime Minister of Jamaica, 1972-1980

Hédi Nouira, Prime Minister of Tunisia, 1970-1980

Olusegun Obasanjo, Head of the Federal Military Government of Nigeria, 1976-1979

Misael Pastrana Borrero, President of Colombia, 1970-1974

Carlos Andrés Perez, President of Venezuela, 1974-1979

Maria de Lourdes Pintasilgo, Prime Minister of Portugal, 1979

Mitja Ribičič, President, Federal Executive Council of Socialist Republic of Yugoslavia, 1969-1971

Ola Ullsten, Prime Minister of Sweden, 1978-1979

2. Some members of the Council, who could not be present at the session, addressed messages to the participants in Vienna. Such statements were received from Mr. James Callaghan, former Prime Minister of the United Kingdom, Mr. Arturo Frondizi, former President of Argentina, Mr. Ahmed Osman, former Prime Minister of the Kingdom of Morocco, and Mr. Helmut Schmidt, former Chancellor of the Federal Republic of Germany. The Secretary-General of the United Nations, Mr. Javier Perez de Cuellar, also addressed a message to the Council. The Council further heard a statement by Mr. Sardar Swaran Singh, special representative of Mrs. Indira Gandhi, Prime Minister of India and Chairman of the Movement of Non-Aligned Countries.

3. Dr. Rudolf Kirchschläger, Federal President of the Republic of Austria, honoured the InterAction Council by his presence at the opening meeting. He conveyed the best wishes of the people of Austria for the success of this new endeavour which has brought together at such a senior level political leaders from North and South and East and West in a common quest for action on critical issues affecting all countries. At a time of considerable international tension, the members of the Council, through their very presence, demonstrated the possibilities of and underlined the need for continuous, constructive communication and discussion among the countries of the world.

4. During its session in Vienna, the participants were also received by Mr. Erwin Lanc, Foreign Minister of the Republic of Austria, who emphasized, on behalf of the Austrian Government, the importance Austria attached to the activities of the InterAction Council and expressed the full support of the Government for the objectives and efforts of the Council.

5. In order to accomplish its goals, the InterAction Council will adopt an innovative approach aimed at setting in motion a political process to achieve concrete results. Once the Council has elaborated specific action proposals with the support of a Policy Board and a Communications Committee, it will dispatch small missions composed of a few Council members to selected countries. These missions will present the Council's proposals and suggestions for action to the political decision-makers and other influential leaders. The Council will also make use of a variety of methods to identify and disseminate its action proposals.

6. The Council will convene periodically to review the results of its activities, including the missions, to decide whether supplementary action is required to advance its earlier proposals and to select new areas for action.

7. 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.

8. At the conclusion of the session, the InterAction Council of Former Heads of Government adopted the following:

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9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. The Council considers it especially important that the export of weapons and armaments be controlled, particularly those destined to developing countries. While benefiting 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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.

28. 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.

29. 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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30. The Council agreed unanimously to confer upon Mr. Takeo Fukuda the title of Honorary Chairman in recognition of the pivotal role he has played in establishing the InterAction Council.

31. The Council also accepted with appreciation the invitation of the Government of Yugoslavia to hold the second session of the Council on the Island of Brioni in the first half of 1984.



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