

eration 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 maintain-

ing 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, peace-making 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.

Note: This declaration was made available by the Office of the Press Secretary but was not issued as a White House press release.

Munich Economic Summit Declaration

July 7, 1992

1. We, the Heads of State and Government of seven major industrial nations and

the President of the Commission 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 world-wide 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 subsidized 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, recognizing 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 ma-

rine 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 interest 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 observation 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. Poverty, population policy, education, health, the role of women and the well-being of children merit special attention. We shall support in particular those countries that undertake credible efforts to help themselves. The more prosperous developing countries are invited to contribute to 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 stabilization 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 cooperation 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 the 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 bn support package announced in April. Out of this, \$ 6 bn 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 com-

munity 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 July 1993.

Note: This declaration was made available by the Office of the Press Secretary but was not issued as a White House press release.

Letter to Congressional Leaders Reporting on the National Emergency With Respect to Libya

July 7, 1992

Dear Mr. Speaker: (Dear Mr. President:)

I hereby report to the Congress on the developments since my last report of Janu-

ary 10, 1992, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of Jan-