

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CENTRAL AMERICAN COMMON MARKET

The Director-General has received the following communication from the representative in Europe of the Secretariat of the General Treaty of Central American Economic Integration.

I have much pleasure in forwarding you herewith the "Joint Declaration by the Ministers of Foreign Relations of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica", signed in Managua, Nicaragua on the eighth of this month, which provides for the following:

1. The agreement for gradually and progressively solving the differences that have arisen between El Salvador and Honduras.
2. The creation of an ad hoc Committee to reorganize the Central American institutional system.
3. The requirement that the Ministers of Economy of the five countries shall meet as soon as possible, and as often as necessary, to arrange for resumption of the activities of the organs of the General Treaty for Central American Economic Integration and to settle matters still pending in the Central American Common Market.
4. The convening of a further meeting of Ministers of External Relations at Guatemala city in April 1970, at the latest, in order to examine the progress made.

All this goes to confirm that the Central American Common Market has returned to normal and that the process of regional integration will be revitalized from all aspects for the economic and social well-being of all its inhabitants.

JOINT DECLARATION BY THE MINISTERS OF EXTERNAL RELATIONS
OF GUATEMALA, EL SALVADOR, HONDURAS, NICARAGUA AND COSTA RICA

In 1969 the Central American Community was confronted with one of the most difficult moments in its recent history. The tragic conflict between two countries in the area put co-existence between the five States to one of its most severe tests, and affected important and positive achievements in the economic, social and cultural fields which had been the culmination of nearly two decades of joint effort and sacrifice.

Nevertheless, in the crisis that we have experienced the common destiny of Central America was clearly apparent; that destiny has deep roots in the unity of our geography, the common origin of our peoples, the Central American ideal which our forbears forged and have passed on to us, and the successes achieved by present generations in the various fields of regional integration.

In these circumstances, the people of Central America, realizing their historic responsibility, should now consolidate peace and continue to promote development and regional integration, in accordance with the rules of justice and with the objective of attaining the increasing well-being of the entire population. One may recall here the words of Paul VI that "the new name of peace is development" and one may recognize that the Central American countries will be able to prosper and survive only if they are united in concord. Co-operation between those countries offers the best and greatest possibilities for educating and training the population, ensuring employment for the labour force, stimulating entrepreneurs, making the best use of the area's natural resources and promoting progress in the less-developed parts of the area, through programmes that can extend these benefits to the majority of the Central American population.

Furthermore, such co-operation is all the more necessary in order to ensure the future of Central America within an international community in which regional groups and interests play an increasingly important rôle. In this situation and having regard to other equally important ones - such as the negotiations which are being mitigated between Latin America and the United States - we, the people of Central America, wish to record that only if our countries are united will they be able to protect their legitimate interests, to attain their just aspirations and to make their necessary contribution to the inter-American system and to the international community.

One must not lose sight of the fact, however, that in the situation through which Central America is passing, the resolute co-operation of all the States is necessary if peace is to be assured.

Being aware of the foregoing, we the Ministers of External Relations of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica reaffirm the intention of our countries to settle any differences that may arise between them, in conformity with the rules of law; we express our confidence that the sequels of

the recent conflict will be resolved satisfactorily by means of bilateral negotiations between the parties directly affected, and we declare our decision to perfect the legal and institutional system obtaining in the Central American Community.

For the attainment of these objectives we have agreed as follows:

I.

To establish a Bilateral Working Party, comprising representatives of El Salvador and Honduras, to study and adopt methods and procedures for the settlement, in a gradual and progressive manner, of the differences that have arisen between the two countries, taking into consideration the solutions of the XIIIth Advisory Meeting of Ministers of External Relations of the OAS.

The Bilateral Working Party will be presided over by a moderator chosen by mutual agreement between the parties, in consultation with the Secretary-General of the Organization of American States. The Working Party will have its seat in San José, Costa Rica, and will be installed there in the second half of January 1970.

II.

To establish an ad hoc Committee for the reorganization of the Central American institutional system, composed of two representatives - one lawyer and one economist - of each of the five governments of the Central American countries, to carry out a detailed analysis of the Central American institutional system, establish a basis and formulate proposals and projects to assist the governments in structuring this system in the most adequate form. The ad hoc Committee will draw up an outline for a new charter of the Organization of Central American States; it will propose the legal, institutional and administrative instruments which, in its opinion, are necessary to strengthen peaceful co-existence between the member States, with special emphasis on the prevention and settlement in good time of any differences that may arise between them; it will make recommendations for gradually, progressively and effectively extending Central American integration to new fields of activity, and will make proposals that can be of assistance for determining the functions and co-ordinating the activities of the various Central American regional bodies, and for regulating in an orderly way the establishment of new bodies where this is warranted and necessary for the progress of the integration movement.

The States will present to the Committee the points of reference on which the institutional reorganization of the Common Market is to be based. In carrying out its task, the Committee will take account of the views, in their respective fields of competence, of the various organs of the Organization of Central American States and of those which have developed within the Economic Integration Programme. It will have the co-operation of the specialized Central American organizations and may request technical co-operation from international bodies.

Secretariat services and general technical counselling may be requested from the Secretariats of the Organization of Central American States and of the SIECA which shall arrange for the necessary co-ordination for this purpose. The Committee may appoint sub-committees to study specific aspects of its work. Its headquarters shall be at Guatemala city, but notwithstanding this it may meet in other cities of Central America where this appears to be appropriate for the progress of its work.

The Committee will report on its work to the Conference of Ministers of External Relations. The Conference shall transmit the report for consideration by the other Central American ministerial bodies that may be concerned and, where appropriate, may refer additional tasks to the Committee in order to complete and perfect specific projects. Once the Conference has made a decision on the matters referred to, it shall draw up the definitive proposals to be presented for final decision at the meeting of Heads of State, in its capacity as supreme organ of the Organization of Central American States. The Committee will be installed and shall meet for the first time in Guatemala in February 1970, on which occasion it will adopt a detailed work programme, together with the necessary provisions concerning its organization and functioning.

The Central American Governments will appoint their representatives during the first half of January 1970 and will inform each other of the respective nominations.

III.

To arrange, on the instructions of their governments, for the Ministers of Economy of the countries in the area to hold meetings at Managua as soon as possible in order, while continuing with action to restore peace, to arrange for resumption of the activities of the organs of the General Treaty for Central American Economic Integration and, meeting as the Economic Council, in addition to adopting decisions to settle matters still pending in the Common Market and to establish a modus operandi for the actual functioning of the Common Market, to proceed with the revision of the treaties, agreements, protocols and other instruments which constitute the legal structure of the area's economic integration wherever necessary, in order to complete the process of reorganizing and strengthening Central American economic integration in accordance with the best interests of Central America and the countries which comprise it.

IV.

To hold a further meeting of Ministers of External Relations at Guatemala city in April 1970, or before if this is deemed desirable, in order to examine the progress made in the work referred to and, if necessary, to take any additional measures that may be appropriate to ensure the success of that work.

We are aware that we are at the beginning and not at the culmination of one stage of our joint endeavour. Above all, we affirm our confidence that a fully normal situation will obtain in the area in the near future, we express our firm hope that Central America will emerge still stronger from a critical moment in its history, and we reiterate our steadfast faith in the common destiny of our peoples.