

1977 JOINT COMMUNIQUE OF THE SECOND ASEAN HEADS OF GOVERNMENT MEETING

Adopted in Kuala Lumpur, Malaysia on 5 August 1977

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1. The ASEAN Heads of Government met in Kuala Lumpur on 4-5 August, 1977. The Meeting was attended by the President of the Republic for Indonesia, H.E. General Soeharto; the Prime Minister of Malaysia, H.E. Datuk Hussein Onn; the President of the Republic of the Philippines, H.E. Mr. Ferdinand E. Marcos; the Prime Minister of Singapore, H.E. Mr. Lee Kuan Yew; and the Prime Minister of Thailand, H.E. Mr. Tanin Kraivixien.
2. The Meeting was held in the traditional ASEAN spirit of friendship and cordiality.
3. The Meeting coincided with the Tenth Anniversary of ASEAN. The Heads of Government reviewed the development and progress of ASEAN in its first ten years and, in particular, they examined the progress in the implementation of the programme of action adopted at their First Meeting in Bali on 23-24 February, 1976, as contained in the Declaration of ASEAN Concord. The Heads of Government expressed satisfaction that ASEAN countries have made significant progress in building their national resilience through the acceleration and intensification economic, social and cultural cooperation and the strengthening of the foundation of social justice and equity for all within their individual states. In the context of ASEAN consolidation, as laid down in the ASEAN Declaration and the Declaration of ASEAN Concord, ASEAN countries have intensified their collaboration in all fields. This has contributed significantly to the solidarity, cohesion and maturity of ASEAN.
4. The Heads of Government reaffirmed their commitment to the ASEAN Declaration and the Declaration of ASEAN Concord as the basis for ASEAN cooperation. They directed that on the basis of these Declarations, ASEAN countries should further intensify their efforts to strengthen and consolidate ASEAN into a strong, viable and cohesive regional organization.

REGIONAL DEVELOPMENT

5. The Heads of Government reviewed developments affecting the ASEAN region. They agreed that the situation as it exists today presents an opportunity for countries in the region to shape their own destiny without the involvement and interference by outside powers. In this regard they emphasized the importance of developing and improving the relations among Southeast Asian countries on the basis of respect for sovereignty, territorial integrity and non-interference in the internal affairs for the progress, peace and stability of the region.
6. The Heads of Government emphasized the desire of ASEAN countries to develop peaceful and mutually beneficial relations with all countries in the region, including Kampuchea, Laos and Vietnam. In this regard they noted with satisfaction that exchanges of diplomatic and trade visits at high level have enhanced the prospects of improved relations between ASEAN countries and the countries of Indochina. They agreed that further efforts should be made to enlarge the areas of understanding and cooperation with those countries on the basis of mutuality of interests.

7. The Heads of Government welcomed the decision of the Security Council of the United Nations to recommend the admission of Socialist Republic of Vietnam as a member of Organisation. They expressed their confidence that in line with the purposes and principles of the UN Charter, Vietnam would contribute to peace and stability necessary for the progress and prosperity of Southeast Asia.

ZONE OF PEACE, FREEDOM AND NEUTRALITY

8. The Heads of Government reaffirmed their commitment to the objectives of the Declaration on the Zone of Peace, Freedom and Neutrality in Southeast Asia. They directed that ASEAN countries should continue their deliberation on the various initial steps already proposed and consider further initiatives which would create conditions conducive for the establishment of the Zone.
9. They expressed their satisfaction at the efforts made by member countries, individually and collectively, to gain the recognition of and respect for Southeast Asia as a Zone of Peace Freedom and Neutrality. They agreed that these efforts should be continued in order to realize its early establishment.
10. They noted that while these efforts are being undertaken, the efforts by ASEAN countries at economic and social development and the strengthening of the foundation of social justice and equity for all within their individual states by themselves constitute a process that would lead to the creation of conditions conducive for the establishment of the Zone of Peace, Freedom and Neutrality.

ECONOMIC COOPERATION

11. In reviewing the progress of ASEAN cooperation, the Heads of Government reiterated their commitment to the programme of action contained in the Declaration of ASEAN Concord and directed that efforts should be intensified to attain its goals and objectives. They placed particular emphasis on cooperation in the economic and social fields since, in their view, the economic and social advancement of the member states of ASEAN is a fundamental element in ensuring political stability of the ASEAN region. In this regard, they commended the ASEAN Economic Ministers for their contribution in intensifying and accelerating the pace of economic cooperation and directed that this should be continued with greater vigour.
12. The Heads of Government noted with satisfaction the progress made in the various fields of economic cooperation as outlined in the Declaration of ASEAN Concord.
13. In the field of cooperation in basic commodities, the Heads of Government noted that ASEAN countries have agreed to accord each other priority of supply and purchase in critical circumstances based on the principle of first refuse. With regard to rice, a machinery for consultations on supply and demand to facilitate negotiations has been established. It was noted that for the first year (1977) of operation of the arrangement, the target of 530,000 tons of rice agreed upon was exceeded by 400,000 tons in July, 1977. In the case of petroleum, an emergency sharing scheme for crude oil and/or oil products in situations of shortage and oversupply has been agreed upon.
14. The Heads of Government noted that on the implementation of ASEAN Industrial Projects, the feasibility study of the ammonia-urea project in Indonesia had been completed, and the process of joint review of the feasibility study of this project had commenced. They decided that this review be completed as early as possible, so that once confirmed to be feasible, and

accepted by member countries, the project could be launched preferably by the middle of 1978. They also noted that feasibility studies would soon be completed on the other ASEAN industrial projects, namely, ammonia-urea (Malaysia), diesel engines (Singapore), rock salt-soda ash project (Thailand) and phosphatic fertilizer (Philippines). They also noted that pre-feasibility studies would also be undertaken on other possible ASEAN industrial project namely, heavy duty rubber tyres, metal working machine tools, newsprint, electrolytic tin plating, TV picture tubes, fisheries and potash. They directed that these studies be completed expeditiously and agreed that after review and confirmation of the feasibility of each of the first five ASEAN Industrial Projects, steps should be taken forthwith to establish that project as a joint venture of the member countries. The products of the ASEAN Industrial Project will be assured preferential access to markets of the member countries through the various instruments of Preferential Trading Arrangements.

15. The Heads of Government expressed satisfaction on the initiative of the private sector in member countries, particularly through the ASEAN Chamber of Commerce and Industry in intensifying their effort towards the implementation of industrial complementation schemes and projects and industrial development in the region. They reaffirmed their belief that the private sector in the region could play a major role in supplementing the efforts of ASEAN Governments towards achieving greater regional cooperation.
16. Recognising that the acceleration of industrialisation of the region requires the increased flow of technology and investments, the Heads of Government directed that measures be taken to stimulate the flow of technology, know-how and private investments among the member countries, and from extra-ASEAN sources into the region in industrial projects which would enhance national and regional resilience.
17. Recognising the vital role that energy plays in the economy of the member states, the Heads of Government agreed to intensify cooperation in such fields as exploration of energy, research and development of alternative uses of energy, research and development of alternative uses of oil as well as of non-conventional energy sources and the development of training facilities.
18. The Heads of Government noted that the Agreement on ASEAN Preferential Trading Arrangements (PTA) signed on 24 February, 1977, which provides for an overall framework for expanding intra-ASEAN trade had been ratified by all member countries. Noting that exchange of preferences on the first batch of products covering 71 items had been agreed upon, they urged that the provisions of the Agreement be promptly and fully implemented not later than 1 January, 1978. They directed that the ASEAN trade negotiations should be intensified and the results achieved be implemented expeditiously. They also noted that other areas of trade cooperation such as the improvement of intra-ASEAN shipping services, simplification of customs procedures and formalities and harmonization of the system and methods of statistical compilation among ASEAN are being explored.
19. The Heads of Government noted that whilst there have been positive developments in the international dialogue between developed and developing countries on commodity policy, the various elements of the UNCTAD Integrated Programme for Commodities were yet to be negotiated and implemented. They considered the Integrated Programme, and in particular the Common Fund, as fundamental to the international effort to overcome commodity problems. They thus reaffirmed their support for the expeditious negotiation and conclusion of specific International Commodity Arrangements under the Integrated Programme for Commodities and called for the early establishment of the Common Fund.

20. The Heads of Government, considering that the stabilisation of export earnings from primary commodities would constitute an important supplementary measure to price stabilisation schemes and to the IMF compensatory financing schemes in the overall effort to stabilise the economies of developing, commodity exporting countries such as ASEAN, urged the developed countries to take urgent positive measures to extend to ASEAN, an arrangement for the stabilisation of export earnings derived from ASEAN commodity exports.
21. On the promotion of cooperative economic relationships between developed and developing countries they viewed with concern the spread of protectionist tendencies in developed countries adversely affecting the economic well-being of ASEAN countries and they called on the developed countries to take immediate steps to remove such protectionist measures. It would be in the interest of developed countries to adopt policies which will promote trade between them and ASEAN countries and expand the flow of investments into ASEAN countries.
22. The Heads of Government reaffirmed their commitment to accelerate joint efforts to improve access to markets outside ASEAN for its raw materials as well as manufactured and semi-manufactured goods. They also reaffirmed that investment opportunities in the ASEAN countries should continue to be promoted within the context of the objectives and purposes of their national development plans.
23. The Heads of Government commended the ASEAN Central Banks and Monetary Authorities for the establishment of an ASEAN reciprocal currency or "swaps" arrangement which would provide immediate short term credit facilities for emergency foreign exchange financing to an ASEAN country with temporary international liquidity problems.
24. Recognising the vital role that external financing can play in the realisation of ASEAN Industrial projects, the Heads of Government called on the developed countries to extend financial assistance to ASEAN for these projects on the most favourable terms and conditions.
25. To further promote the flow of trade, investment and business activities among ASEAN countries, the Heads of Government agreed on the need for ASEAN countries to conclude bilateral agreements on investment guarantees and avoidance of double taxation.
26. The Heads of Government took note the progress made in the fields of transportation and communications in the ASEAN region. In particular they observed initial efforts being made by the member countries to bring about regional cooperation in order to achieve efficient intra-ASEAN facilities in transportation and communications, notably:
 - (a) the development of the ASEAN Submarine Cable System, further studies on the setting-up of the ASEAN Regional Satellite System, the Satellite System for domestic use of ASEAN and border communications between member countries;
 - (b) the promotion of intercountry mail and border remittance services;
 - (c) the exchange of specific experiences and training expertise to optimise efficiency of the respective railway organisations, the promotion of transport by road, rail and ferry and the achievement of uniformity of road and traffic regulations;

- (d) mutual consultations on matters affecting regional aviation and the adoption of a harmonised approach in the achievement of air agreement with non-member countries; the formulation and establishment of a common stand in any rearrangement of extra-regional flight information boundaries with non-member countries for the optimum benefit of ASEAN having regard to the technical and operational requirements of member countries;
 - (e) the acceleration and harmonisation in the expansion and modernisation of ASEAN national fleets, the organisation of ASEAN-based, controlled and oriented shipping conferences and the promotion of containerization and joint bulk shipment; and
 - (f) cooperation and mutual consultations in planning efforts.
27. With regard to cooperation in food, agriculture and forestry the Heads of Governments noted the progress made in the implementation of studies on priority areas of regional cooperation which included the following:
- (a) supply and demand for food and other strategic agricultural products;
 - (b) regional plant/crop protection centre;
 - (c) fisheries resources management;
 - (d) forestry resources and conservation;
 - (e) supply and demand for animal feed; and
 - (f) agricultural education and training.
28. The Heads of Government noted the importance for ASEAN to develop closer dialogue with developed countries and international organisation in order to expedite progress for cooperation in food, agriculture and forestry.
29. The Heads of Government recognised the desirability of safeguarding the ASEAN countries from possible food shortage by measures such as the establishment of a Food Security Reserve for ASEAN, especially for rice.

EXTERNAL RELATIONS

30. Concerning ASEAN's economic relations with third countries or groups of countries, the Heads of Government agreed that economic cooperation with these countries, notably Australia, Canada, Japan, New Zealand, and the European Economic Community be further intensified and expanded for mutual benefit. They also welcomed the forthcoming ASEAN dialogue with the United States of America. The ASEAN Heads of Government expressed their wish that ASEAN establish closer economic relationship with the West Asian countries.
31. The Heads of Government noted that economic cooperation between ASEAN and the EEC has been initiated in the field of trade, aimed primarily at attaining better access for ASEAN's export products into the EEC. Whilst stressing the need to achieve further improvement in trade relations between ASEAN and EEC, the Heads of Government welcomed the increasing expansion of economic cooperation between ASEAN and the EEC to other economic fields such as industry, agriculture and rural development, transportation and finance.

32. The Heads of Government noted that economic cooperation between ASEAN and Japan was initiated with the establishment of ASEAN-Japan Forum on Synthetic Rubber in November, 1973. This has resulted in increased cooperation between ASEAN and Japan on the question of rubber, including financial assistance from Japan for the establishment of a tyre testing and development laboratory in ASEAN.
33. With the establishment of the wider ASEAN-Japan Forum in March of this year and the forthcoming Meeting between the ASEAN Heads of Government and the Prime Minister of Japan, the Heads of Government looked forward to an expansion of economic cooperation between ASEAN and Japan, particularly aimed at improving access of ASEAN products to the Japanese market, stabilizing prices of and earnings from ASEAN export commodities, financing ASEAN industrial projects, and enhancing ASEAN agricultural and industrial development.
34. The Heads of Government would welcome closer ASEAN-Australia economic cooperation. They noted the progress that has been made in the Protein Projects and Food Handling Projects, established with Australian assistance.
35. With regard to ASEAN-New Zealand economic cooperation, the Heads of Government commended the successful completion of the Survey on the End-Uses of ASEAN timber and noted further that three pilot sub-projects on plantation forestry, pine forest development and management of pine plantation have been agreed upon.
36. The Heads of Government appreciated the willingness of Canada to extend assistance to ASEAN. They noted the completion of reconnaissance studies on a Regional Satellite Communication System and on Regional Air Transportation. They look forward to the early commencement and completion of the feasibility studies on these projects and the identification of other areas of economic cooperation such as trade and fisheries.
37. As an additional measure to consolidate and expand ASEAN's formal cooperative relationship with these countries, the Heads of Government endorsed the decision made by the 10th ASEAN Ministerial Meeting to establish joint consultative groups with the EEC and other developed countries for consultations on matters of mutual interest. They reaffirmed ASEAN's readiness to consider the establishment of formal dialogues with other countries, groups of countries and international organisations on the basis of mutual benefits.
38. The Heads of Government welcomed the opportunity to meet the Heads of Government of Australia, Japan and New Zealand on 6-8 August, 1977. They viewed these series of meetings as an important development in the cooperative endeavours between ASEAN and these countries, and expressed the hope that these meetings would lead to the intensification of economic cooperation between ASEAN on the one hand, and Australia, Japan and New Zealand on the other.

COOPERATION IN THE SOCIAL, CULTURAL AND OTHER FIELDS

39. The Heads of Government expressed their satisfaction at the steps taken to realise the goals and objectives of the Declaration of ASEAN Concord in the fields of social development and in the cultural and information fields. In this context, they called for closer collaboration among Ministers responsible for Social and Cultural activities to speed up and further enhance cooperation in the Social and Cultural fields, as embodied in the Declaration of ASEAN Concord.

40. In the field of Social Welfare, the Heads of Government endorsed the Eleven-Point Guidelines adopted by the Ministers responsible for Social Welfare at their Meeting in Jakarta in July, 1977.
41. Taking note of the steps taken to improve social conditions in the region, in particular the initiatives in the field of human resource development and the efforts to integrate women and the youth in the national development process, the Heads of Government agreed on the need for expanded cooperation in this field.
42. They directed that greater concerted action be taken towards the elimination of pockets of poverty, disease and illiteracy, and thus contribute to the enhancement of the dignity of the human person.
43. The Heads of Government commended the initiatives taken in meeting the problems of regional population growth and urged member countries to implement the approved projects on the integration of population and rural development policies and in this connection, to coordinate closely with the United Nations and its Agencies.
44. They affirmed the urgency of implementing an ASEAN strategy to improve community development programmes through increased people's participation in education, training and self-help activities. To achieve these goals, the Heads of Government agreed that ASEAN Member countries shall make available to each other existing facilities and shall utilize fully local resources, human and material.
45. The Heads of Government took note of the steps already taken to curb the abuse of narcotics and the illegal trafficking in drugs by the approval at the Ninth ASEAN Ministerial Meeting of the ASEAN Declaration of Principles to combat the Abuse of Narcotic Drugs. The Heads of Government directed that member countries continue to give priority to this problem by taking effective measures to implement the Declaration.
46. The Heads of Government also took note of the adoption by the Ninth ASEAN Ministerial Meeting of the ASEAN Declaration for Mutual Assistance on Natural Disasters and urged member countries to take steps to implement the Declaration.
47. They reaffirmed their conviction that economic, social and cultural development are indivisible components of nations and regional stability and a necessary foundation for self-sustaining growth and progress.
48. Noting that the presence of a large number of refugees from Indochina has resulted in serious problems for some ASEAN countries and recognizing the need on humanitarian grounds to solve this problem, the Heads of Government called on the UNHCR and other relevant agencies to take immediate measures for the expeditious resettlement of these refugees in third countries.
49. In the field of labour and manpower, the Heads of Government endorsed the Seven-Point Programme of Action adopted by the ASEAN Labour Ministers at their Special Meeting in Baguio, Manila in May 1976. They commended the efforts by the member countries in adopting an ASEAN position on the basic needs strategy in the labour field.

50. In particular they endorsed the decision of the ASEAN Labour Ministers to place special emphasis on development policies which are employment-oriented. They directed the Labour Ministers to explore possibilities of undertaking joint projects in the development of appropriate technology in the fields of agriculture, industry and managerial organizational technology.
51. The Heads of Government urged that the present cooperation in the field of labour and manpower among ASEAN member countries be further intensified in order to improve the well being of the low-income group and the rural population through the provision of greater opportunities for productive employment with fair remuneration, as enunciated in the Declaration Of ASEAN Concord.
52. The Heads of Government noted that the ASEAN Ministers of Information at their Meeting in Manila on 22-23 July, 1977 drew up guidelines for the implementation of an ASEAN information policy which supports the fundamental objective of ASEAN to accelerate economic, social and cultural development. They agreed that information is important to the progress of development in the respective ASEAN countries.

IMPROVEMENT OF ASEAN MACHINERY

53. The Heads of Government expressed satisfaction with the progress made in streamlining and restructuring the ASEAN machinery. They noted that the necessary adjustments had been made in the organisational structure of ASEAN to enable it to undertake its increasing activities in implementing the programme of action as laid down in the Declaration of ASEAN Concord. They agreed that changes in the organisational structure of ASEAN should be effected without altering the status of the ASEAN Declaration as the basic document which embodies the principles and objectives of ASEAN. The Heads of Government directed that efforts be continued to review the organisational structure of ASEAN with a view to increasing its effectiveness.
54. The Heads of Government of Indonesia, the Philippines, Singapore and Thailand expressed their sincere appreciation to the Prime Minister of Malaysia for his direction and guidance as Chairman of their Meeting, and through him expressed their thanks to the Government and people of Malaysia, for the warm hospitality accorded them and for the excellent arrangements made for the Meeting.