

SINGAPORE AND INTERNATIONAL LAW

This section was introduced for the first time in the December 1977 issue of the Review (1977) 19 Mal. L.R. 401. Its objective is to reproduce materials and information that will illustrate Singapore's attitude to, and approaches on, questions of international law and international organisations. As far as possible, primary materials will be reproduced but where unavailable, and the topics are important, secondary materials including relevant extracts from newspaper reports will be reproduced. The materials will be presented under the following headings:

- I. Policy Statements *
- II. Legislation *
- III. Judicial Decisions *
- IV. Treaties (other than Asean Instruments)
- V. Asean Treaties, Declarations and other Instruments
- VI. Singapore in the United Nations and other International Organisations and Conferences

Owing to limitations of space, the materials reproduced in the section will be selective. As the materials are compiled from the Law Library and other sources, it should be stressed that any texts contained herein are not to be regarded as officially supplied to the Review.

IV. TREATIES (OTHER THAN ASEAN INSTRUMENTS)

- (a) *Press Statement, 4 August 1978, on Avoidance of Double Taxation Agreement Protocol — Singapore/United Kingdom (Singapore Government Press Release MC/AUG/5/78 (Finance))*

The Government of the Republic of Singapore and the Government of the United Kingdom of Great Britain and Northern Ireland, signed a Protocol on 21st July, 1975 in London, amending the existing Agreement for the Avoidance of Double Taxation between the two countries, concluded in 1966.

The Protocol was brought into force on 31st May, 1978, following its ratification by the respective Governments.

The Protocol takes retrospective effect from year of assessment 1973, for purposes of Singapore tax. As for the United Kingdom,

* There are no materials under these headings in this issue.

the Protocol has retrospective effect from year of assessment beginning on or after 6th April, 1973, in respect of income tax and capital gains tax and from financial year beginning on or after 1st April, 1973, in respect of corporation tax.

The Protocol provided the opportunity to review and update some of the provisions of the 1966 Agreement. The main features of the Protocol are —

- a) the granting of tax credit by the United Kingdom tax authority to a resident in Singapore, receiving dividends from the United Kingdom except where the resident is a Singapore company which controls, directly or indirectly, at least 10 per cent of the voting power of the paying company;
- b) provision for income derived from interest and royalties to be taxable in the country of source at a rate not exceeding 15 per cent; and
- c) extension of the tax sparing credit provision to include expansion and export income exempted from tax under the Singapore Economic Expansion Incentives (Relief from Income Tax) Act.

The conclusion of the Protocol will further promote and encourage the flow of investments, trade, technology and skilled personnel.

- (b) *Press Statement, 7 September 1978, on agreement between Singapore and United Kingdom to modify Air Services Agreement (Singapore Government Press Release MC/SEPT/10/78 (Communications))*

Singapore and the United States recently signed an Air Services Agreement allowing their national carriers to operate to each other's territories. The American carrier — Pan American — had been flying to Singapore for some years under a temporary operating licence. Next year Singapore Airlines will begin its Trans-Pacific passenger services via Hongkong to Honolulu and San Francisco.

This Agreement was one of the first signed under the new American aviation policy, details of which were recently announced by President Carter. This new policy emphasizes American commitment to less governmental regulations, freer competition, and lower fares for both scheduled and charter passenger services as well as cargo air services.

Since SIA's passenger services to Honolulu and San Francisco are routed through Hongkong, discussions with the British authorities were initiated late last year. They were successfully concluded in June this year.

Following this agreement, Singapore and the United Kingdom last week exchanged diplomatic notes to modify the existing Air Services Agreement which was signed by both countries seven years ago.

As a result of this revised Agreement, SIA will be able to mount its passenger services to America next year via Hongkong. This will be in addition to the SIA cargo services to the United States, presently being operated via Hongkong. In return, CPA will be given additional rights through new intermediate points and one point beyond Singapore.

- (c) *Joint Press Statement on Double Taxation Convention Between Singapore and Korea (Singapore Government Press Release on 2 October 1978, MC/OCT/3/78 (Finance))*

A Treaty for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income between the Republic of Korea and the Republic of Singapore was initialled on 2 Oct 78 in Seoul. Mr. Chin Bae Choi, Director-general, Tax System Bureau, Ministry of Finance signed for the Government of the Republic of Korea and Mr. Hsu Tse-Kwang, Commissioner of Inland Revenue, signed for the Republic of Singapore. This Treaty was concluded after the third round of talks in Seoul. The second round was in Singapore in 1976 while the first talks took place in Seoul in 1975.

The Treaty, as initialled, is subject to ratification and when ratified, will be effective from January 1st 1979. Amongst other things, the Treaty seeks to lighten the tax burden of merchants and entrepreneurs of one country and also operate in the other and therefore subject to fiscal laws of both. It is expected by this that trade and investment by residents of one country to the other will be encouraged.

At the same time, the Treaty will also assist revenue authorities of both countries to counter evasion through the exchange of information for the prevention of fraud. Trade secrets are, however, protected.

Negotiations which led to the conclusion of the Treaty were conducted in a friendly and cordial atmosphere. Both sides fully understood the problems of each other.

The delegation of Korea consisted of Mr. Chin-Bae Choi, Mr. Chang-Shick Ahn, Mr. Hyun-Bai Shin, Mr. Se-Won Chang, Mr. Kwang-Soo Kim and Mr. Dal-Ho Jung and the delegation of Singapore consisted of Mr. Hsu Tse-Kwang, Mr. Poh Khoo Beng, Mr. Tan Boen Eng, Mr. Tan Keng Seng and Mr. Hong Chin Fock.

V. ASEAN TREATIES, DECLARATIONS AND OTHER INSTRUMENTS *

- (a) The Asean Declaration of 8th August 1967.
- (b) Agreement for the Establishment of a Fund for the Association of Southeast Asian Nations of 17th December 1960.
- (c) Agreement for the Promotion of Cooperation in mass media and cultural activities of 17th December 1969.
- (d) Multilateral Agreement on Commercial Rights of Non-scheduled Air Services among the Association of South East Asian Nations of 13th March 1971.

* The texts of (a) to (f) were reproduced in (1977) 19 Mal. L.R. 408 *et. seq.*, and the texts of (g) and (h) were reproduced in (1978) 20 Mal. L.R. 206 *et. seq.* In this issue the texts of (i) to (o) are reproduced. Any subsequent Asean treaties, declarations and other instruments will be reproduced in future issues.

- (e) Constitution and By-Laws of Asean Tours and Travel Association Adopted by the Inaugural Meeting held on 27th March 1971.
- (f) The Kuala Lumpur Declaration (Zone of Peace, Freedom and Neutrality) of 27th November 1971.
- (g) Agreement for the Facilitation of Search for Aircraft in Distress and Rescue of Survivors of Aircraft Accidents of 14th April 1972.
- (h) Agreement for the Facilitation of Search for Ships in Distress and Rescue of Survivors of Ship Accidents of 15th May 1975.
- (i) Agreement of the Establishment of the Asean Secretariat — of 24th February 1976.
- (j) Declaration of Asean Concord of 24th February 1976.
- (k) Treaty of Amity and Cooperation in Southeast Asia of 24th February 1976.
- (l) Asean Declaration for Mutual Assistance on Natural Disasters of 26th June 1976.
- (m) Asean Declaration of Principles to combat the abuse of Narcotic Drugs of 26th June 1976.
- (n) Agreement on Asean Preferential Trading Arrangements of 24th February 1977.
- (o) Meeting of Asean Heads of Government, Kuala Lumpur, 4-5 August 1977, Final Communiqué dated 5 August 1977.

AGREEMENT ON THE ESTABLISHMENT OF THE ASEAN SECRETARIAT

PREAMBLE

THE GOVERNMENTS OF THE REPUBLIC OF INDONESIA, MALAYSIA, THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF THAILAND:

BEING members of the Association of South East Asian Nations, hereinafter referred to as "ASEAN";

MINDFUL of the rapidly growing activities of ASEAN since its establishment on 8th August, 1967, in Bangkok, Thailand, in the implementation of the aims and purposes of ASEAN embodied in the ASEAN Declaration;

RECOGNIZING that the growth has increased the need in ASEAN for a central administrative organ to provide for greater efficiency in the coordination of ASEAN organs and for more effective implementation of ASEAN projects and activities;

DO HEREBY AGREE AS FOLLOWS:—

ARTICLE I

The Asean Secretariat Establishment and Location

- 1 The Contracting Parties hereby establish a permanent Secretariat for ASEAN which shall be called the ASEAN Secretariat, hereinafter referred to as "the Secretariat".
- 2 The Secretariat shall have its seat in Jakarta, Indonesia, hereinafter referred to as "the Host Country".

ARTICLE II

Composition

The Secretariat shall comprise the Head of the Secretariat who shall be known as the Secretary-General of the ASEAN Secretariat, hereinafter referred to as "the Secretary-General", a Staff and a Locally Recruited Staff.

ARTICLE III

Secretary General Appointment

- 1 The Secretary-General shall be appointed by the ASEAN Ministerial Meeting upon nomination by a Contracting Party on a rotational basis in alphabetical order. The tenure of office shall be two years.

Functions and Powers

2 The Secretary-General shall:

- 1 be responsible to the ASEAN Ministerial Meeting when it is in session and to the Standing Committee at all other times;
- 2 take charge of the Secretariat and be responsible for the discharge of all the functions and responsibilities entrusted to him by the ASEAN Ministerial Meeting and by the Standing Committee;
- 3 have authority to address communications directly to the Contracting Parties;
- 4
 - a attend personally all the ASEAN Ministerial Meetings as secretary;
 - b be in attendance at all meetings of the Standing Committee; and
 - c attend or designate a representative to attend the meetings of all ASEAN Committees and other similar bodies;
- 5 keep himself informed of the activities of all ASEAN Committees and other similar bodies, and
 - a explain, whenever necessary, the directives of the Standing Committee to ASEAN Committees and other similar bodies;
 - b ensure that the ASEAN Committees and other similar bodies are informed of relevant current developments in the activities of ASEAN;
 - c act as the channel for formal communications between:
 - i ASEAN Permanent Committees, Ad Hoc Committees, Expert Groups, and other ASEAN bodies and the Standing Committee; and
 - ii the Secretariat and other international organisations and Governments; and
 - d assist, where required, various committees, groups and bodies set up within the framework of ASEAN;
- 6 ascertain facts or seek clarifications for the purpose of reporting to the Standing Committee for its consideration;
- 7 prepare an Annual Report for submission to the ASEAN Ministerial Meeting;
- 8 harmonize, facilitate and monitor progress in the implementation of all approved ASEAN activities;
- 9 initiate plans and programmes of activities with ASEAN regional co-operation in accordance with approved policy guidelines;

- 10 be responsible for the Secretariat's security;
 - 11 prepare the Annual Budget Estimates of the Secretariat for the approval of the ASEAN Ministerial Meeting;
 - 12 exercise the administrative and financial powers vested in him under the provisions of this Agreement and such other Rules and Regulations as may hereafter come into effect;
 - 13 act as custodian of all ASEAN documents; and
 - 14 perform such other duties and missions as the ASEAN Ministerial Meeting or the Standing Committee may direct.
- 3 The Secretary-General shall present drafts of Staff Regulations, Financial Regulations and Security Regulations for the Secretariat to the Standing Committee for its approval and shall apply and carry out same from such date as it may specify.
- 4 The Secretary-General may propose amendments to such Regulations for the approval of the Standing Committee and such amendments shall come into force from such date as it may specify.

ARTICLE IV

Staff of the Secretariat Composition and Appointment

- 1 The Staff of the Secretariat shall initially comprise:
 - 1 three Bureau Directors;
 - 2 a Foreign Trade and Economic Relations Officer;
 - 3 an Administrative Officer;
 - 4 a Public Information Officer; and
 - 5 an Assistant to the Secretary-General;who shall be appointed by the Standing Committee upon nomination by Contracting Parties.
- 2 The Bureau Directors shall be at least of counsellor rank and each of the other officers shall be at least of first secretary rank.
- 3 The principal considerations in such nominations and appointments shall be the highest standard of professional efficiency and integrity, equitable distribution and rotation of the posts among nationals of the Contracting Parties.
- 4 Where a staff member nominated by a Contracting Party has been seconded from the Home Service to the Secretariat he shall not, by reason of such appointment, lose his seniority or promotional prospects in the Home Service.
- 5 The appointment of Staff members shall be for a term of three years, provided that, in special circumstances, the Standing Committee, upon recommendation of the Secretary-General made after consultation by him with the nominating Contracting Party, may extend the term of such appointment for a period not exceeding another full term.

6 The functions and duties of the officers, other than the Bureau Directors, shall be set out in the Duty Schedules to be prepared by the Secretary-General and approved by the Standing Committee.

ARTICLE V

Bureau Directors

1 The three Bureau Directors shall head the following Bureaus respectively:—

- 1 Economic;
- 2 Science and Technology; and
- 3 Social and Cultural;

in that order of seniority.

2 Each Bureau Director shall, on his own initiative or upon request by a Contracting Party to the Secretary-General, be responsible for preparing working papers containing comments and appropriate recommendations of the Secretariat on subjects of interest and fields of activities within the charge of his bureau, for the consideration of the representatives of the Contracting Parties at their meetings.

3 The activities of ASEAN Permanent Committees, Ad Hoc Committees and Expert Groups, in so far as they relate to the Activities of the three Bureaus referred to above, shall also come within the purview of the respective Bureau.

4 If for any reason the Secretary-General is unable temporarily to perform his functions, the Chairman of the Standing Committee shall appoint the most senior Bureau Director to act as Secretary-General.

ARTICLE VI

Locally Recruited Staff

1 The Secretary-General shall employ such Locally Recruited Staff for clerical and other office duties as are necessary to the normal functioning of the Secretariat.

2 The Locally Recruited Staff shall be nationals of member States, recruited locally in the Host Country, and shall be appointed by the Secretary-General.

3 At the end of the first year, the Secretary-General shall make an overall recommendation to the Standing Committee on the actual requirements regarding the size, composition and emoluments of the Locally Recruited Staff.

4 The financial provision for the employment of the Locally Recruited Staff shall be incorporated in the Annual Budget of the Secretariat.

The Standing Committee may approve increases of personnel during an ASEAN financial year.

ARTICLE VII

Salaries

The salaries and allowances of the Secretary-General, the three Bureau Directors, the Foreign Trade and Economic Relations Officer, the Administrative Officer, the Public Information Officer and the Assistant to the Secretary-General shall be determined by the ASEAN Ministerial Meeting which may, from time to time, on the recommendation of the Secretary-General, review such salaries and allowances.

ARTICLE VIII

Staff Regulations

Subject to the other Provisions of this Agreement, the terms and conditions of employment of the members of the Staff and of the Locally Recruited Staff of the Secretariat shall be set out in Staff Regulations.

ARTICLE IX

Budget and Funding

- 1 An Annual Budget for the Secretariat shall be submitted to the ASEAN Ministerial Meeting for approval.
- 2 The Annual Budget shall also include the numbers and the grades of staff personnel to be employed.
- 3 The budget of the Secretariat shall be categorised into:
 - 1 Capital outlay; and
 - 2 Recurrent expenditure.
- 4 Capital outlay shall include all costs related to the acquisition of land, building construction, provision of basic utilities and services, initial decoration and office furniture and equipment and installation of air conditioning plants, major maintenance and such other items as the Host Country may offer.
- 5 Recurrent expenditure shall include all other expenses including payment of salaries and allowances of all ASEAN Secretariat personnel, utility charges, travelling expenses, office requisites and stationery, minor and annual maintenance and all other administrative expenses.
- 6 Capital outlay expenditure shall be borne by the Host Country. Recurrent expenditure shall be shared on a basis to be determined by the ASEAN Foreign Ministers.

ARTICLE X

Auditing of the Accounts

- 1 The accounts of the Secretariat shall be audited annually by the Audit Committee consisting of three qualified members nominated by three of the Contracting Parties in rotation and appointed for a period of two years by the Standing Committee.

2 The annual accounts together with the Report of the Audit Committee thereon shall be submitted to the Standing Committee which shall cause the same to be laid before the next Ministerial Meeting together with its comments.

ARTICLE XI

Privileges and Immunities

The Host Country shall grant to the Secretariat, the Secretary-General and the Staff such privileges and immunities as may be necessary for the performance of their duties and functions.

ARTICLE XII

Amendments

Any Contracting Party may propose amendments to this Agreement. When approved by the Contracting Parties or by the ASEAN Ministerial Meeting, such amendments shall come into force from such date as may be specified.

ARTICLE XIII

Ratification

1 This Agreement is subject to ratification by the Contracting Parties,

2 The Instruments of Ratification shall be deposited with the Department of Foreign Affairs of the Republic of Indonesia.

ARTICLE XIV

Entry into Force

This Agreement shall enter into force on the date on which the Fifth Instrument of Ratification is deposited.

ARTICLE XV

Accession

1 This Agreement is open for accession by any Government which is accepted as a new Member of ASEAN.

2 The Instrument of Accession shall be deposited with the Department of Foreign Affairs of the Republic of Indonesia.

3 With respect of any such new Member Government acceding to this Agreement after it has come into force, this Agreement shall become effective in relation to that new Member Government on the date of deposit of its Instrument of Accession.

4 If such an Instrument of Accession is deposited before this Agreement comes into force, it shall become effective in relation to that new Member Government on the date this Agreement comes into force.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE at Bali in five originals in the English Language this 24th day of February, 1976.

Signed 24th February, 1976.

For the Government of the
Republic of Indonesia

Signed
.....

For the Government of
Malaysia

Signed
.....

For the Government of the
Republic of the Philippines

Signed
.....

For the Government of the
Republic of Singapore

Signed
.....

For the Government of the
Kingdom of Thailand

Signed
.....

DECLARATION OF ASEAN CONCORD

A COMMON BOND EXISTING AMONG THE MEMBER STATES OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS,

The President of the Republic of Indonesia, the Prime Minister of Malaysia, the President of the Republic of the Philippines, the Prime Minister of the Republic of Singapore, and the Prime Minister of the Kingdom of Thailand,

REAFFIRM their commitment to the Declarations of Bandung, Bangkok and Kuala Lumpur, and the Charter of the United Nations;

ENDEAVOUR to promote peace, progress, prosperity and the welfare of the peoples of member states;

UNDERTAKE to consolidate the achievements of ASEAN and expand ASEAN cooperation in the economic, social, cultural and political fields;

DO HEREBY DECLARE:

ASEAN cooperation shall take into account, among others, the following objectives and principles in the pursuit of political stability:

1 The stability of each member state and of the ASEAN region is an essential contribution to international peace and security. Each member state resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience.

2 Member states, individually and collectively, shall take active steps for the early establishment of the Zone of Peace, Freedom and Neutrality.

3 The elimination of poverty, hunger, disease and illiteracy is a primary concern of member states. They shall therefore intensify cooperation in economic and social development, with particular emphasis on the promotion of social justice and on the improvement of the living standard of their peoples.

4 Natural disasters and other major calamities can retard the pace of development of member states. They shall extend, within their capabilities, assistance for relief of member states in distress.

5 Member states shall take cooperative action in their national and regional development programs, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies.

6 Member states, in the spirit of ASEAN solidarity, shall rely exclusively on peaceful processes in the settlement of intra-regional differences.

7 Member states shall strive, individually and collectively, to create conditions conducive to the promotion of peaceful cooperation

among the nations of Southeast Asia on the basis of mutual respect and mutual benefits.

8 Member states shall vigorously develop an awareness of regional identity and exert all efforts to create a strong ASEAN community, respected by all, and respecting all nations on the basis of mutually advantageous relationships, and in accordance with the principles of self-determination, sovereign equality and non-interference in the internal affairs of nations.

AND DO HEREBY ADOPT

the following programme of action as a framework for ASEAN cooperation:

A *Political*

1 Meeting of the Heads of Government of the member states as and when necessary;

2 Signing of Treaty of Amity and Cooperation in Southeast Asia;

3 Settlement of intra-regional disputes by peaceful means as soon as possible;

4 Immediate consideration of initial steps towards recognition of and respect for the Zone of Peace, Freedom and Neutrality wherever possible;

5 Improvement of ASEAN machinery to strengthen political cooperation;

6 Study on how to develop judicial cooperation including the possibility of an ASEAN Extradition Treaty;

7 Strengthening of political solidarity by promoting the harmonization of views, coordinating positions and, where possible and desirable, taking common actions.

B *Economic*

1 Cooperation on Basic Commodities, particularly Food and Energy

(i) Member states shall assist each other by according priority to the supply of the individual country's needs in critical circumstances, and priority to the acquisition of exports from member states, in respect of basic commodities, particularly food and energy.

(ii) Member states shall also intensify cooperation in the production of basic commodities particularly food and energy in the individual member states of the region.

2 Industrial Cooperation

(i) Member states shall cooperate to establish large-scale ASEAN industrial plants, particularly to meet regional requirements of essential commodities.

- (ii) Priority shall be given to projects which utilize the available materials in the member states, contribute to the increase of food production, increase foreign exchange earnings or save foreign exchange and create employment.

3 Cooperation in Trade

- (i) Member states shall cooperate in the fields of trade in order to promote development and growth of new production and trade and to improve the trade structures of individual states and among countries of ASEAN conducive to further development and to safeguard and increase their foreign exchange earnings and reserves.
- (ii) Member states shall progress towards the establishment of preferential trading arrangements as a long term objective on a basis deemed to be at any particular time appropriate through rounds of negotiations subject to the unanimous agreement of member states.
- (iii) The expansion of trade among member states shall be facilitated through cooperation on basic commodities, particularly in food and energy and through cooperation in ASEAN industrial projects.
- (iv) Member states shall accelerate joint efforts to improve access to markets outside ASEAN for their raw materials and finished products by seeking the elimination of all trade barriers in those markets, developing new usage for these products and in adopting common approaches and actions in dealing with regional groupings and individual economic powers.
- (v) Such efforts shall also lead to cooperation in the field of technology and production methods in order to increase the production and to improve the quality of export products, as well as to develop new export products with a view to diversifying exports.

4 Joint Approach to International Commodity Problems and Other World Economic Problems

- (i) The principles of ASEAN cooperation on trade shall also be reflected on a priority basis in joint approaches to international commodity problems and other world economic problems such as the reform of international trading system, the reform of international monetary system and transfer of real resources, in the United Nations and other relevant multilateral fora, with a view to contributing to the establishment of the New International Economic Order.
- (ii) Member states shall give priority to the stabilisation and increase of export earning of these commodities produced and exported by them through commodity agreements including bufferstock scheme and other means.

5 Machinery for Economic Cooperation

Ministerial meetings on economic matters shall be held regularly or as deemed necessary in order to:

- (i) formulate recommendations for the consideration of Government of member states for the strengthening of ASEAN economic cooperation;
- (ii) review the coordination and implementation of agreed ASEAN programmes and projects on economic cooperation;
- (iii) exchange views and consult on national development plans and policies as a step towards harmonizing regional development and
- (iv) perform such other relevant functions as agreed upon by the member Governments.

C *Social*

1 Cooperation in the field of social development with emphasis on the well being of the low income group and of the rural population, through the expansion of opportunities for productive employment with fair remuneration.

2 Support for the active involvement of all sectors and levels of the ASEAN communities, particularly the women and youth, in development efforts;

3 Intensification and expansion of existing cooperation in meeting the problems of population growth in the ASEAN region, and where possible, formulation of new strategies in collaboration with appropriate international agencies.

4 Intensification of cooperation among member states as well as with the relevant international bodies in the prevention and eradication of the abuse of narcotics and the illegal trafficking of drugs.

D *Cultural and Information*

1 Introduction of the study of ASEAN, its member states and their national languages as part of the curricula of schools, and other institutions of learning in the member states.

2 Support of ASEAN scholars, writers, artistes, and mass media representatives to enable them to play an active role in fostering a sense of regional identity and fellowship.

3 Promotion of Southeast Asian Studies through closer collaboration among national institutes.

E *Security*

Continuation of cooperation on a non-ASEAN basis between the member states in security matters in accordance with their mutual needs and interests.

F Improvement of ASEAN Machinery

1 Signing of the Agreement on the Establishment of the ASEAN Secretariat.

2 Regular review of the ASEAN organisational structure with a view to improving its effectiveness.

3 Study of the desirability of a new constitutional framework for ASEAN.

Done at Denpasar, Bali, this Twenty Fourth Day of February in the year One Thousand Nine Hundred and Seventy Six.

For the Republic of Indonesia :

For Malaysia

For the Republic of the Philippines :

For the Republic of Singapore :

For the Kingdom of Thailand :

TREATY OF AMITY AND COOPERATION

PREAMBLE

The High Contracting Parties:

CONSCIOUS of the existing ties of history, geography and culture, which have bound their peoples together;

ANXIOUS to promote regional peace and stability through abiding respect for justice and the rule of law and enhancing regional resilience in their relations;

DESIRING to enhance peace, friendship and mutual cooperation on matters affecting Southeast Asia consistent with the spirit and principles of the Charter of the United Nations, the ten principles adopted by the Asian-African conference in Bandung on 25 April 1955, the Declaration of the Association of Southeast Asian Nations signed in Bangkok on 8 August 1967, and the Declaration signed in Kuala Lumpur on 27 November 1971;

CONVINCED that the settlement of differences or disputes between their countries should be regulated by rational, effective and sufficiently flexible procedures, avoiding negative attitudes which might endanger or hinder cooperation;

BELIEVING in the need for cooperation with all peace-loving nations, both within and outside Southeast Asia, in the furtherance of world peace, stability and harmony;

SOLEMNLY agree to enter into a Treaty of Amity and Cooperation as follows:

CHAPTER I

PURPOSE AND PRINCIPLES

ARTICLE 1

The purpose of this treaty is to promote perpetual peace, everlasting amity and cooperation among their peoples, which would contribute to their strength, solidarity and closer relationship.

ARTICLE 2

In their relations with one another, the high contracting parties shall be guided by the following fundamental principles:

- (a) Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations;
- (b) The right of every state to lead its national existence free from external interference, subversion or coercion;
- (c) Non-interference in the internal affairs of one another;
- (d) Settlement of differences or disputes by peaceful means;

- (e) Renunciation of the threat or use of force;
- (f) Effective cooperation among themselves.

CHAPTER II

AMITY

ARTICLE 3

In pursuance of the purpose of this Treaty, the High Contracting Parties shall endeavour to develop and strengthen the traditional, cultural and historical ties of friendship, good neighbourliness and cooperation which bind them together and shall fulfil in good faith the obligations assumed under this Treaty. In order to promote closer understanding among them, the high contracting parties shall encourage and facilitate contact and intercourse among their peoples.

CHAPTER III

COOPERATION

ARTICLE 4

The High Contracting Parties shall promote active cooperation in the economic, social, cultural, technical, scientific and administrative fields as well as in matters of common ideas and aspirations of international peace and stability in the region and all other matters of common interest.

ARTICLE 5

Pursuant to Article 4 the High Contracting Parties shall exert their maximum efforts multilaterally as well as bilaterally on the basis of equality, non-discrimination and mutual benefit.

ARTICLE 6

The High Contracting Parties shall collaborate for the acceleration of the economic growth in the region in order to strengthen the foundation for a prosperous and peaceful community of nations in Southeast Asia. To this end, they shall promote the greater utilization of their agriculture and industries, the expansion of their trade and the improvement of their economic infra-structure for the mutual benefit of their peoples. In this regard, they shall continue to explore all avenues for close and beneficial cooperation with other States as well as international and regional organisations outside the region.

ARTICLE 7

The High Contracting Parties, in order to achieve social justice and to raise the standards of living of the peoples of the region, shall intensify economic cooperation. For this purpose, they shall adopt appropriate regional strategies for economic development and mutual assistance.

ARTICLE 8

The High Contracting Parties shall strive to achieve the closest cooperation on the widest scale and shall seek to provide assistance to one another in the form of training and research facilities in the social, cultural, technical, scientific and administrative fields.

ARTICLE 9

The High Contracting Parties shall endeavour to foster cooperation in the furtherance of the cause of peace, harmony and stability in the region. To this end, the High Contracting Parties shall maintain regular contacts and consultations with one another on international and regional matters with a view to coordinating their views, actions and policies.

ARTICLE 10

Each High Contracting Party shall not in any manner or form participate in any activity which shall constitute a threat to the political and economic stability, sovereignty, or territorial integrity of another High Contracting Party.

ARTICLE 11

The High Contracting Parties shall endeavour to strengthen their respective national resilience in their political, economic, socio-cultural as well as security fields in conformity with their respective ideas and aspirations, free from external interference as well as internal subversive activities in order to preserve their respective national identities.

ARTICLE 12

The High Contracting Parties in their efforts to achieve regional prosperity and security, shall endeavour to cooperate in all fields for the promotion of regional resilience, based on the principles of self-confidence, self-reliance, mutual respect, cooperation and solidarity which will constitute the foundation for a strong and viable community of nations in Southeast Asia.

CHAPTER IV

PACIFIC SETTLEMENT OF DISPUTES

ARTICLE 13

The High Contracting Parties shall have the determination and good faith to prevent disputes from arising. In case disputes on matters directly affecting them should arise, especially disputes likely to disturb regional peace and harmony, they shall refrain from the threat or use of force and shall at all times settle such disputes among themselves through friendly negotiations.

ARTICLE 14

To settle disputes through regional processes, the High Contracting Parties shall constitute, as a continuing body, a High Council comprising

a Representative at ministerial level from each of the High Contracting Parties to take cognizance of the existence of disputes or situations likely to disturb regional peace and harmony.

ARTICLE 15

In the event no solution is reached through direct negotiations, the High Council shall take cognizance of the dispute or the situation and shall recommend to the parties in dispute appropriate means of settlement such as good offices, mediation, inquiry or conciliation. The High Council may however offer its good offices, or upon agreement of the parties in dispute, constitute itself into a committee of mediation, inquiry or conciliation. When deemed necessary, the High Council recommend appropriate measures for the prevention of a deterioration of the dispute or the situation.

ARTICLE 16

The foregoing provisions of this Chapter shall not apply to a dispute unless all the parties to the dispute agree to their application to that dispute. However, this shall not preclude the other High Contracting Parties not party to the dispute from offering all possible assistance to settle the said dispute. Parties to the dispute should be well disposed towards such offer of assistance.

ARTICLE 17

Nothing in this Treaty shall preclude recourse to the modes of peaceful settlement contained in Article 33(1) of the Charter of the United Nations. The High Contracting Parties which are parties to a dispute should be encouraged to take initiatives to solve it by friendly negotiations before resorting to the other procedures provided for in the Charter of the United Nations.

CHAPTER V

GENERAL PROVISIONS

ARTICLE 18

This Treaty shall be signed by the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand. It shall be ratified in accordance with the constitutional procedures of each signatory State.

It shall be open for accession by other States in Southeast Asia.

ARTICLE 19

This Treaty shall enter into force on the date of the deposit of the fifth instrument of ratification with the Governments of the signatory States which are designated Depositories of this Treaty and of the instruments of ratification or accession.

ARTICLE 20

This Treaty is drawn up in the official languages of the High Contracting Parties, all of which are equally authoritative. There shall be an agreed common translation of the texts in the English language. Any divergent interpretation of the common text shall be settled by negotiation.

IN FAITH THEREOF the High Contracting Parties have signed the Treaty and have hereto affixed their seals.

DONE IN Denpasar, Bali, on the Twenty Fourth day of February in the year One Thousand Nine Hundred and Seventy Six.

For the Republic of Indonesia
For Malaysia
For the Republic of the Philippines
For the Republic of Singapore
For the Kingdom of Thailand

ASEAN DECLARATION FOR MUTUAL ASSISTANCE ON NATURAL DISASTERS

The Foreign Ministers of the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand;

REPRESENTING the Member Countries of the Association of South East Asian Nations (hereinafter referred to as ASEAN);

DESIRING to accelerate and intensify the implementation of the aims and purposes of the Association as embodied in the ASEAN Declaration of 1967 and the Declaration of ASEAN Concord of 1967;

AWARE of the serious consequence of natural disasters on the economic and social development of countries especially those of the region;

CONSIDERING that the capacity of each Member Country may be inadequate to provide relief in calamities of major magnitude;

BEARING IN MIND that there may arise an urgent need for mutual assistance in the mitigation of the effects of natural disasters and for speedy action for the rescue and relief of victims of natural disasters;

AND INVOKING the ASEAN spirit of mutual help and cooperation:

DO HEREBY DECLARE THAT:

I

The Member Countries shall, within their respective capabilities, cooperate in the —

- a improvement of communication channels among themselves as regards disaster warning;
- b exchange of experts and trainees;
- c exchange of information and documents; and
- d dissemination of medical supplies, services and relief assistance.

II

Each Member Country shall designate a national government agency to be its internal coordinating body which will gather, collate and exchange data pertaining to natural disasters; that these agencies will be principally responsible for implementing the cooperation envisioned above;

III

Each Member Country shall:

- a in cases of calamities of major magnitude, upon the request from an affected Member Country, within its capability extend such assistance as may be needed;

- b on prior notification, undertake immediate internal arrangements to facilitate the transit, through their respective territories, of vessels, aircraft, authorized personnel, supplies and equipment bound for the territory of a distressed member country, subject to compliance of such requirements or formalities as may be prescribed by its laws;

IV

A Member Country requesting assistance shall undertake internal administrative arrangements necessary to facilitate the entry of necessary vessels, aircraft, authorized personnel, supplies and equipment free from government taxes and any other duties or charges for the purpose of rescue and relief.

DONE in Manila, the Philippines on the 26th day of June 1976.

For the Government of the
Republic of Indonesia _____

For the Government of
Malaysia _____

For the Government of the
Republic of the Philippines _____

For the Government of the
Republic of Singapore _____

For the Government of the
Kingdom of Thailand _____

ASEAN DECLARATION OF PRINCIPLES TO COMBAT THE ABUSE OF NARCOTIC DRUGS

The Foreign Ministers of the ASEAN countries representing the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand,

CONCERNED with the health and welfare of mankind,

RECOGNIZING that the abuse of narcotic drugs and psychotropic substances is fraught with social and economic danger to mankind,

AWARE that drug abuse seriously endangers the development programmes of the Member Countries, in particular, and developing countries in general, especially in relation to the life of the younger generation,

CONSIDERING the necessity of further developing and emphasising ASEAN efforts to overcome the narcotic drugs problem,

DESIRING to further intensify the aims and purposes of the ASEAN Declaration of 1967 and the Declaration of ASEAN Concord of 1976,

DO HEREBY DECLARE THAT:

I

In the context of cooperation to combat the abuse of narcotic drugs, each Member Country shall:

- 1 Intensify its vigilance and preventive and penal measures with regard to illicit traffic in drugs by:
 - a Organising exchange of information on individuals, gangs and syndicates in the territory of each ASEAN Member Country;
 - b Organising efforts to eliminate the illicit cultivation of opium poppy, cannabis and coca bush;
 - c Organising efforts to eliminate the illicit manufacture of drugs;
- 2 Organise cooperation in the fields of drug research and education.
- 3 Institute improvements in national legislation aimed at intensifying the fight against the abuse of drugs and its consequences.

II

Each Member Country shall intensify the involvement of its national agencies in close liaison with the Colombo Plan Bureau, the United Nations and its specialised agencies. Interpol and such other agencies involved in these activities to combat drug abuse.

III

Each Member Country shall carry on exchange of information and experiences;

- a in the field of research
- b concerning illicit international drug trafficking, illicit manufacture and illicit cultivation, including modus operandi and identity of traffickers, manufacturers and cultivators;
- c relating to technical skill in combatting drug offences;
- d in the field of laboratory investigation;
- e in legal measures against drug crimes and offences;
- f in community education and information;
- g in preventive measures and vigilance with regard to cultivation and smuggling of drugs;
- h in treatment and rehabilitation;
- i in training in drugs control and investigation.

DONE in Manila, the Philippines on 26th day of June 1976.

For the Government of the
Republic of Indonesia

For the Government of
Malaysia

For the Government of the
Republic of the Philippines

For the Government of the
Republic of Singapore

For the Government of the
Kingdom of Thailand

AGREEMENT ON ASEAN PREFERENTIAL TRADING ARRANGEMENTS

THE GOVERNMENTS OF THE REPUBLIC OF INDONESIA, MALAYSIA, THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF SINGAPORE AND THE KINGDOM OF THAILAND:

RECALLING the Declaration of ASEAN Concord signed in Bali, Indonesia on 24 February 1976, which provides that Member States shall take cooperative action in their national and regional development programmes, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies;

EMPHASIZING that preferential trading arrangements among ASEAN Member States will act as a stimulus to the strengthening of national and ASEAN economic resilience and the development of the national economies of the Member States by expanding investment and production opportunities, trade and foreign exchange earnings;

NOTING that the International Community has fully recognized the importance of encouraging the establishment of preferences among developing countries at the international, regional and sub-regional levels, particularly through the resolution of the United Nations General Assembly establishing the International Development Strategy for the Second UN Development Decade and the Declaration on the Establishment of a New International Economic Order and the Programme of Action for the Establishment of a New International Economic Order; the Declaration on Trade Expansion, Economic Cooperation and Regional Integration Among Developing Countries adopted at UNCTAD II and Resolution 92 (IV) of UNCTAD IV; as well as of the General Agreement on Tariffs and Trade, particularly Part IV, and decisions made in pursuance thereof;

NOTING further that developed and developing countries have taken some decisions to promote preferential arrangements among developing countries as well as between developed and developing countries in terms favourable to the latter;

HAVE AGREED to establish ASEAN Preferential Trading Arrangements as stipulated by the following provisions:—

CHAPTER I GENERAL PROVISIONS

ARTICLE 1

1. The respective Governments of ASEAN Member States on whose behalf the present Agreement is accepted, hereinafter referred to as the “Contracting States”, have agreed to extend trade preferences to each other in accordance with the provisions of this Agreement and the rules, regulations and decisions agreed within its framework.

2. The Contracting States agree to establish Preferential Trading Arrangements among them through the adoption of instruments, as may be appropriate, for ASEAN trade expansion.

3. Upon entry into force of this Agreement, concessions on products originating from all Contracting States agreed upon among them through rounds of negotiations shall be implemented by them in accordance with the provisions of this Agreement and any other supplementary agreements and/or contracts which may be concluded within the context of the Preferential Trading Arrangements on the individual products or groups of products.

4. The Contracting States agree that the Preferential Trading Arrangements among them shall be implemented in the spirit of ASEAN cooperation and mutual benefits.

ARTICLE 2

Contracting States shall cooperate through mutual assistance in respect of basic commodities, particularly food and energy; provision of market support for the products of the ASEAN industrial projects; expansion of intra-ASEAN trade and increase in the utilization of raw materials available in the Contracting States.

CHAPTER II

INSTRUMENTS AND DEFINITION OF PREFERENTIAL TRADING ARRANGEMENTS

ARTICLE 3

The Contracting States agree to adopt the following instruments for Preferential Trading Arrangements: long-term quantity contracts; purchase finance support at preferential interest rates; preference in procurement by Government entities; extension of tariff preferences; liberalization of non-tariff measures on a preferential basis; and other measures.

ARTICLE 4

The Preferential Trading Arrangements shall be applied to Basic Commodities particularly rice and crude oil; products of the ASEAN industrial projects; products for the expansion of intra-ASEAN trade; and other products of interest to Contracting States.

ARTICLE 5

Long-term Quantity Contracts shall apply to selected products subject to specific agreements negotiated among the Contracting States or their nominated agencies. Long-term contracts shall be for a period of three years to five years depending on the products and quantities to be agreed upon subject to annual review where appropriate. However, this provision does not preclude contracts of less than three years as may be agreed upon by the Contracting States.

ARTICLE 6

Purchase finance support at preferential interest rates may be applied to either exports to or imports from Contracting States of selected products of ASEAN domestic origin to be covered by the Preferential Trading Arrangements.

ARTICLE 7

1. Pre-tender notices for international tenders in respect of procurement by Government entities should be sent to the Missions of the Contracting States in the relevant ASEAN capital.
2. Subject to such provisions as may be embodied in supplementary agreements on Government procurement and to the rules of origin to be subsequently decided, Contracting States shall accord each other a preferential margin of ~~21%~~ which should not exceed US\$40,000 worth of preferences per tender in respect of international tenders for Government procurement of goods and auxiliary services from untied loans submitted by ASEAN countries vis-a-vis non-ASEAN countries.
3. The preferential margin should be applied on the basis of the lowest evaluated and acceptable tender.

ARTICLE 8

1. An effective ASEAN margin of tariff preference should be accorded on a product-by-product basis.
2. Where tariff preferences have been negotiated on multilateral or bilateral basis, the concessions so agreed should be extended to all Contracting States on an ASEAN most-favoured-nation basis, except where special treatment is accorded to products of ASEAN industrial projects.
3. In the negotiations on tariff preferences, considerations for the balancing of preferences should take into account the possibility of using other instruments of preferential trading arrangements.
4. The effective ASEAN margin of tariff preferences to be accorded to the selected products should take into account existing levels of tariffs in the respective Contracting States.

ARTICLE 9

Without prejudice to the provisions in Articles 5, 6, 7 and 8, the Contracting States may decide on other preferences as may be mutually agreed upon.

CHAPTER III

PREFERENTIAL TREATMENT OF THE PRODUCTS
OF ASEAN INDUSTRIAL PRODUCTS AND INDUSTRIAL
COMPLEMENTATION SCHEMES

ARTICLE 10

1. Notwithstanding the provisions of Articles 5, 6, 7, 8, 9 and 15 of this Agreement, the Contracting States shall establish special pre-

ferential trading arrangements in respect of products of ASEAN industrial projects which shall be embodied in supplementary agreements. Such supplementary agreements shall include the provision that trade preferences shall be extended exclusively to the products of the ASEAN industrial projects within agreed time frames and subject to such other conditions as may be set forth in the supplementary agreements.

2. The products of the ASEAN Industrial Complementation Projects shall qualify for preferential trading arrangements, provided that these individual industrial complementation schemes or projects fall within the guidelines approved by competent Committees of ASEAN Economic Ministers and that the specific schemes or projects are approved by the Committee on Industry, Minerals and Energy.

CHAPTER IV

MAINTENANCE OF CONCESSIONS

ARTICLE 11

Contracting States shall not diminish or nullify any of the concessions as agreed upon through the application of any new charge or measure restricting trade, except in cases provided for in this Agreement.

CHAPTER V

EMERGENCY MEASURES

ARTICLE 12

1. If, as a result of the implementation of this Agreement, imports of a particular product eligible for Preferential Trading Arrangements are increasing in such a manner as to cause or threaten to cause serious injury to sectors producing like or similar products in the importing Contracting States, the importing Contracting State may suspend provisionally and without discrimination, the preferences included in this Agreement.

2. Without prejudice to existing international obligations, a Contracting State, which finds it necessary to institute or intensify quantitative restrictions or other measures limiting imports with a view to forestalling the threat of or stopping a serious decline in its monetary reserves or limiting exports due to serious decline in supplies shall endeavour to do so in a manner which safeguards the value of the concessions agreed upon.

3. Where, however, emergency measures are taken in pursuance to this Article, immediate notice of such action must be given to the Committee referred to in Article 13 and such action may be the subject of consultations as provided for in Article 14.

CHAPTER VI

INSTITUTIONAL ARRANGEMENTS

ARTICLE 13

The ASEAN Committee on Trade and Tourism (hereinafter referred to as THE COMMITTEE) is hereby directed and authorised to conduct trade negotiations within the framework of this Agreement and to review and supervise the implementation of the Agreement. In respect of all matters concerning the implementation of the Agreement, all decisions of the Committee shall be taken by consensus. The ASEAN Secretariat shall monitor the implementation of the Agreement pursuant to Article III.2.8 of the Agreement on the Establishment of the ASEAN Secretariat.

CHAPTER VII

CONSULTATIONS

ARTICLE 14

1. Each Contracting State shall accord adequate opportunity for consultations regarding such representations as may be made by another Contracting State/States with respect to any matter affecting the implementation of this Agreement. The Committee may, at the request of the Contracting State/States, consult with any other Contracting State/States in respect of any matter for which it has not been possible to find a satisfactory solution during previous consultations.
2. If any Contracting State should consider that any other Contracting State has not carried out its obligations under this Agreement so that it nullifies or impairs any benefit accruing to it, the affected Contracting State, with a view to the satisfactory adjustments of the matter, may make representations or proposals to the other Contracting State concerned which thus approached shall give due consideration to the proposals made to it.
3. If no satisfactory adjustment is effected between the Contracting States concerned within 60 days from the date on which such representation or request for consultation was made, the matter may be referred to the Committee who shall consult with the Contracting States concerned and arrive at a solution mutually acceptable to the States concerned. Where the circumstances are serious enough, a Contracting State may temporarily suspend the application of the concession to the Contracting State/States concerned until a mutually satisfactory solution is arrived at. A Contracting State suspending the concession shall give written notification to the other Contracting States within 30 days prior to such action.

CHAPTER VIII

RULES OF ORIGIN

ARTICLE 15

Products mentioned in Article 4 of this Agreement shall be eligible for preferential treatment if they satisfy the Rules of Origin set out in Annex I which is an integral part of this Agreement.

CHAPTER IX

GENERAL EXCEPTIONS

ARTICLE 16

Nothing in this Agreement shall prevent any Contracting State, from taking action and adopting measures which it considers necessary for the protection of its national security, the protection of public morality, the protection of human, animal and plant life and health, and the protection of articles of artistic, historic and archaeological value.

CHAPTER X

MISCELLANEOUS AND FINAL PROVISIONS

ARTICLE 17

1. This Agreement shall enter into force on the 30th day after the deposit of the Fifth Instrument of Ratification.
2. This Agreement may not be signed with reservation nor shall reservations be admitted at the time of ratification.
3. All articles of this Agreement may be modified through amendments to this Agreement agreed upon by consensus. All amendments shall become effective upon acceptance by all Contracting States.
4. This Agreement shall be deposited with the Secretary-General of the ASEAN Secretariat who shall promptly furnish a certified copy thereof to each Contracting State.
5. Each Contracting State shall deposit its Instrument of Ratification with the Secretary-General of the ASEAN Secretariat who shall likewise promptly inform each Contracting State of such deposit.

IN WITNESS WHEREOF, the undersigned being duly authorized thereto by their respective Governments have signed this Agreement on ASEAN Preferential Trading Arrangements.

Done at Manila this twenty-fourth day of February 1977 in a single copy in the English Language.

For the Government of the
Republic of Indonesia

Sgd/-

.....
ADAM MALIK
Foreign Minister of Indonesia

For the Government of
Malaysia

Sgd/-

.....
TENGKU AHMAD RITHAUDDEEN
Foreign Minister of Malaysia

For the Government of the
Republic of the Philippines

Sgd/-

.....
CARLOS P. ROMULO
Secretary of Foreign Affairs

For the Government of the
Republic of Singapore

Sgd/-
.....
S. RAJARATNAM
Foreign Minister of Singapore

For the Government of the
Kingdom of Thailand

Sgd/-
.....
UPADIT PACHARIYANGKUN
Foreign Minister of Thailand

ANNEX I

RULES OF ORIGIN FOR THE ASEAN PREFERENTIAL TRADING ARRANGEMENTS

For determining the origin of products eligible for preferential concessions under the Agreement on ASEAN Preferential Trading Arrangements, the following Rules shall be applied:

RULE 1. ORIGINATING PRODUCTS — Products covered by preferential trading arrangements within the framework of this Agreement, imported into the territory of a Contracting State from another Contracting State which are consigned directly within the meaning of Rule 5 hereof, shall be eligible for preferential concessions if they conform to the origin requirement under any one of the following conditions:

- (a) Products wholly produced or obtained in the exporting Contracting State as defined in Rule 2; or
- (b) Products not wholly produced or obtained in the exporting Contracting State, provided that the said products are eligible under Rule 3 or Rule 4.

RULE 2. WHOLLY PRODUCED OR OBTAINED — Within the meaning of Rule 1(a), the following shall be considered as wholly produced or obtained in the exporting Contracting State:

- (a) mineral products extracted from its soil, its water or its sea-beds;
- (b) agricultural products harvested there;
- (c) animals born and raised there;
- (d) products obtained from animals referred to in paragraph (c) above;
- (e) products obtained by hunting or fishing conducted there;

- (f) products of sea fishing and other marine products taken from the sea by its vessels;^{1,3}
- (g) products processed and/or made on board its factory ships^{2,3} exclusively from products referred to in paragraph (f) above;
- (h) used articles collected here, fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) goods produced there exclusively from the products referred to in paragraph (a) to (i) above.

RULE 3. NOT WHOLLY PRODUCED OR OBTAINED

- (a) (i) Subject to sub-paragraph (ii) below, for the purpose of implementing the provisions of Rule 1(b) and subject to the provisions of Rule 4, products worked on and processed as a result of which the total value of the materials, parts or produce originating from non-ASEAN countries or of undetermined origin used does not exceed 50% of the FOB value of the products produced or obtained and the final process of manufacture is performed within the territory of the exporting Contracting State.
- (ii) In respect of Indonesia, the percentage referred to in sub-paragraph (i) above is 40%. On certain categories of manufactured products to be agreed upon from time to time, the requirement of 50% of non-ASEAN content may apply.
- (b) In respect of the ASEAN industrial projects, the per cent criterion of Rule 3(a) may be waived.
- (c) The value of the non-originating materials parts or produce shall be:—
 - (1) The CIF value at the time of importation of the products or importation can be proven; or

¹ "vessels" — shall refer to fishing vessels engaged in commercial fishing, registered in a Contracting State and operated by a citizen or citizens or government of such Contracting State, or partnership, corporation or association, duly registered in such Contracting State, at least 60% of the equity of which is owned by a citizen or citizens of such Contracting States or 75% by citizens or governments of the Contracting States, provided that the conduct of fishing activities or operations in the territorial waters of any of the Contracting States, shall be subject to the provisions of the constitution and existing laws of the respective Contracting States.

² "factory ships" — shall refer to special types of vessels equipped with processing facilities and able to do processing operations offshore and in the high seas, registered in a Contracting State and operated by a citizen or citizens or government of such Contracting State, or partnership, corporation or association, duly registered in such Contracting State, at least 60% of the equity of which is owned by a citizen or citizens or government of such Contracting State, or 75% by citizens or governments of the Contracting States, provided that the conduct of fishing activities or operations in the territorial waters of any of the Contracting States, shall be subject to the provisions of the constitution and existing laws of the respective Contracting States.

³ In respect of vessels or factory ships operated by government agencies, the requirements of flying the flag of a Contracting State does not apply.

- (2) The earliest ascertainable price paid for the products of undetermined origin in the territory of the Contracting State where the working or processing takes place.

RULE 4. CUMULATIVE RULE OF ORIGIN—Products which comply with origin requirements provided for in Rule 1 and which are used a Contracting State as inputs for a finished product eligible for preferential treatment in another Contracting State/States shall be considered as a product originating in the Contracting State where working or processing of the finished product has taken place provided that the aggregate ASEAN content of the final product is not less than 60%.

RULE 5. DIRECT CONSIGNMENT—The following shall be considered as directly consigned from the exporting Contracting State to the importing Contracting State:

- (a) if the products are transported without passing through the territory of any other non-ASEAN country;
- (b) the products whose transport involves transit through one or more intermediate non-ASEAN countries with or without transshipment or temporary storage in such countries, provided that:
 - (1) the transit entry is justified for geographical reason or by considerations related exclusively to transport requirements;
 - (2) the products have not entered into trade or consumption there; and
 - (3) the products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition.

RULE 6. TREATMENT OF PACKING

- (a) Where for purposes of assessing customs duties a Contracting State treats products separately from their packing, it may also, in respect of its imports consigned from another Contracting State, determine separately the origin of such packing.
- (b) Where paragraph (a) above is not applied, packing shall be considered as forming a whole with the products and no part of any packing required for their transport or storage shall be considered as having been imported from outside the ASEAN region when determining the origin of the products as a whole.

RULE 7. CERTIFICATE OF ORIGIN—A claim that products shall be accepted as eligible for preferential concession shall be supported by a Certificate of Origin issued by a government authority designated by the exporting Contracting State and notified to the other Contracting States in accordance with the Certification Procedures to be developed and approved by the Committee on Trade and Tourism.

RULE 8. REVIEW—These Rules may be reviewed as and when necessary upon request of a Contracting State and may be open to such modifications as may be agreed upon by Ministers responsible for trade of the Contracting States.

**MEETING OF ASEAN HEADS OF GOVERNMENT
KUALA LUMPUR, 4-5 AUGUST 1977**

(Final Communique dated 5 August 1977)

The ASEAN Heads of Government met in Kuala Lumpur on 4-5 August, 1977. The Meeting was attended by the President of the Republic of 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.

The Meeting was held in the traditional ASEAN spirit of friendship and cordiality.

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 of 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.

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 organisation.

Regional Development

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.

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.

The Heads of Government welcomed the decision of the Security Council of the United Nations to recommend the admission of the Socialist Republic of Vietnam as a member of the 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

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 deliberations on the various initial steps already proposed and consider further initiatives which would create conditions conducive for the establishment of the Zone.

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.

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

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.

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.

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 refusal. 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.

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 prefeasibility 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.

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 which would further enhance trade in manufactured products 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.

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.

Recognising the vital role that energy plays in the economy of the member states, the Heads of Government agreed to intensify co-operation in such fields as exploration and exploitation of energy, research and development of alternative uses of oil as well as of non-conventional energy sources and the development of training facilities.

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.

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.

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.

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.

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.

The Heads of Government commended the ASEAN Central Banks and Monetary Authorities for the establishment of an ASEAN reciprocal currency or "SWAP" arrangement which would provide immediate short term credit facilities for emergency foreign exchange financing to an ASEAN country with temporary international liquidity problems.

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.

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.

The Heads of Government took note of 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 communication 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 countries;
- (e) the acceleration and harmonisation in the expansion and modernisation of ASEAN national fleets, the organisation of ASEAN-based, controlled and oriented shipping conference(s) and the promotion of containerization and joint bulk shipment; and
- (f) cooperation and mutual consultations in planning efforts.

With regard to cooperation in food, agriculture and forestry, the Heads of Government 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 food; and
- (f) agricultural education and training.

The Heads of Government noted the importance for ASEAN to develop closer dialogue with developed countries and international organisations in order to expedite progress for cooperation in food, agriculture and forestry.

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

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 established closer economic relationship with the West Asian countries.

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 co-operation between ASEAN and the EEC to other economic fields such as industry, agriculture and rural development, transportation and finance.

The Heads of Government noted that economic cooperation between ASEAN and Japan was initiated with the establishment of the 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.

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 organization technology.

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.

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

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.

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.

VI. SINGAPORE IN THE UNITED NATIONS AND OTHER INTERNATIONAL ORGANISATIONS AND CONFERENCES

UN General Assembly, 33rd Session, 1978; extracts from Speech by Minister for Foreign Affairs, Mr. S. Rajaratnam, at the General Assembly, 29 September 1978 (Singapore Government Press Release)

The two greatest threats to international peace and security are the unresolved problems of the Middle-East and of Southern Africa. On the Middle-East, I wish to reiterate Singapore's position. First, we believe that the Government of Israel must recognise the right of the Palestinians to a homeland of their own and that the Palestinians, must recognise the state of Israel and respect its independence, sovereignty and territorial integrity. Secondly we believe that the issue of borders must be settled by negotiations on the basis of the principles of non-acquisition of territory by use of force and the right of states to live within secure and recognised borders. Thirdly, we remain convinced that Security Council Resolutions 242 and 338 provide that framework for an overall settlement of the problems of the Middle East. We welcome the two agreements concluded between President Sadat of Egypt and Prime Minister Begin of Israel at Camp David as being a step forward. The two leaders have shown great courage. They deserve our support and commendation. We also wish to pay a tribute to President Carter for his remarkable statesmanship.

On the question of Namibia, we are dismayed by the decisions of the Government of South Africa to reject the proposals of the Secretary-General and to hold elections in Namibia without UN involvement. We hope that the new government of South Africa will

reverse these decisions and resume co-operation with the UN for the peaceful transition of Namibia to independence. On Zimbabwe, we hope the time for a peaceful transition to majority rule has not run out. We make an urgent call to the United Kingdom, the United States and the front-line states to make one last effort to bring about a negotiated settlement acceptable to all the parties involved. As for South Africa, unless the abhorrent system of apartheid is rapidly dismantled, the prospects of a bloody racial confrontation become inevitable.

Reflecting on the sorry state of our contemporary world, Antonio Gramsci, an Italian Communist ideologue, offered humanity this piece of advice. "We need," he said, "the pessimism of the intelligence and the optimism of the will".

I can think of a no better formula for survival for humanity. It is one that I would commend to this organisation and to political leaders who are also statesmen. I have therefore attempted in this address to reflect the necessary spirit of hopeful pessimism about human prospects. Though the United Nations was formed for the specific purpose of addressing itself to the problems of humanity as a whole, in practice, most of us have generally avoided manifesting any earnestness about humanity lest we be thought somewhat eccentric and unpragmatic.

So I hope your excellencies will bear with me if for a change I dedicate this address to the cause of global problems.

I begin with a quote from a man we all knew and who cannot be charged with being intemperate in either his choice of words or expressions of ideas—the late U Thant, and for many years our Secretary-General:-

"I can only conclude," he said, "from the information that is available to me as Secretary-General that the members of the United Nations have perhaps 10 years in which to subordinate their ancient quarrels and launch a global partnership to curb the arms race, to improve the human environment, to defuse the population explosion and supply the required momentum to development efforts. If such a global partnership is not forged within the next decade then, I very much fear that the problems I have mentioned will have reached such staggering proportions that they will be beyond our capacity to control."

That speech was made in 1969. The ten-year respite he gave for mankind to put its house in order will expire next year. None of us can honestly say that the links of a global partnership have been strengthened in the intervening years. The evidence points strongly to a contrary process. The presumed partnership between the rich North and the poorer South is even more tenuous than it was in the early days of the UN when the rich were more forthcoming in helping the needy nations to be less poor.

As for U Thant's hope that ancient quarrels would disappear, there has not only been a more vigorous revival of ancient feuds since

1969 but also the proliferation of new enmities. The arenas for these expanding contests are almost wholly in the Third World. According to the *SIPRI World Armaments and Disarmament Year Book for 1976* there has been, between 1945 and 1975, in all 119 civil and international wars involving the territory of 69 states (i.e. nearly half the UN membership) and the armed forces of 81 nations. There have also been more than 300 coups and attempted coups in the Third World during the same period.

The authors of the Year Book also estimate that these wars have killed more people than did World War II.

Has the arms race abated since 1969? Has the special session on disarmament had any visible impact on the arms race? The answer to both questions is unfortunately in the negative. From 1970 to 1978 world military expenditures increased from \$200 billion to the current \$400 billion. After allowing for price inflation, the world's military spending has increased at an annual rate of 15 per cent. From 1970 to 1977, the world's armed forces increased from 21 million to 23 million. Exports of major weapons to Third World countries reached an estimated \$8 billion yearly, in constant 1975 dollars, almost three times such exports in 1970. The strategic nuclear stockpiles of the United States and the Soviet Union increased by 8,000 to a total of 14,000 warheads. Governed by these facts and figures, one is driven to the inescapable conclusion that, to borrow U Thant's words, the "mad momentum of the arms race" continues unabated.

As for defusing the population explosion, though there has been deceleration of population growth in some of the more developed of the developing countries, the situation generally is worse. Most developing countries are caught in a bind whereby even a most dramatic upsurge in the economy would be negated by a still higher rise in population. The old belief that the vast untapped resources of the earth and technological miracles could cope with any population increase has in recent years been shattered by contrary evidence. There are, we now realise, limits to technological miracles. The planets' resources are finite and we can't sustain life beyond those limits. There is considerable evidence to support the view that we have come dangerously close to these limits. Until about 1972 food prospects looked moderately hopeful. The population rose steadily by about 2 per cent annually but this was hopefully offset by a 3 per cent increase in food output. Great hopes were placed on the miracle rice developed in the Philippines and on the high-yielding wheat strains developed in Mexico.

This optimism turned out to be short-lived. In 1972 for a variety of complex reasons, total food production fell for the first time in more than 20 years. We now realise that the comforting statistics of earlier years concealed a number of unpleasant facts about grain production. The food demands of the Third World were met less by the output of developing countries than by the increased output of wealthy countries like the United States, Canada, Australia and Argentina. They were able to do this because their farming was on a vast scale, highly scientific, highly capitalised and highly organised. It was energy-intensive, so that, say, one American farmer could feed

57 people where a farmer in a developing country would be hard put to it feeding even his family. Unfortunately the production processes of these few advanced agricultural producers, involving the use of fertiliser, machinery, freight, processing, marketing and pumping for irrigation, depended on one crucial product: cheap oil. Suddenly and unexpectedly the era of cheap oil came to an end, and with it, hopes of cheap feed.

The rise in the price of oil has invariably made for dearer grain. In stating this fact, let me add that I am not giving credence to the somewhat misleading thesis that dearer oil is at the root of the global economic crisis, including the food crisis. The drift towards world recession and inflation had begun well before the rise in the price of oil.

The prospects for developing countries of maintaining steady growth simultaneously with a population explosion are pretty bleak. Because resources of the earth are finite, both rich and poor nations must now reshape plans for economic growth on the basis that mankind has entered an age of resource scarcity. We must develop new economic life styles. Mankind, in particular the affluent North, has been consuming raw materials at a rate which would leave posterity with little or nothing. The contemporary attitude of what is called the consumer society to the warnings of the ecologists is best summed up in a quip made by the American comedian, Groucho Marx, in response to some other matter: "So what? What has posterity done for me?" Our technology has made it possible for the first time in human history for one generation to deprive future generations of their due inheritance.

For example there is considerable evidence to show that at current rates of growth raw materials like aluminium, lead, manganese, nickel, tungsten and platinum could be exhausted within a century. Copper, silver, zinc and mercury within 50 years.

The only consolation offered is that we would have enough iron to last the next 150 years.

The biggest consumers of resources are the nations of the North. It consumes $\frac{9}{10}$ of the world's oil output, most of its minerals, $\frac{1}{2}$ of its fertilisers and $\frac{3}{4}$ of its fish catch. The average northerner consumes perhaps 50 times more of the world's resources than the average consumer in a developing country.

These estimates would have to be revised drastically should the deprived two-thirds of humanity start consuming at even half the northern rate.

For a start, so I am informed, nitrogen and phosphate fertilizers, among other things, will run out within a few generations.

Some people look hopefully to the oceans to provide the resources the earth is incapable of providing in the near future. As I will attempt to show in a moment, this too may turn out to be an illusion. Going by available evidence the oceans of the world too must be listed under the category of an endangered environment.

So long as our economic activities are directed towards satisfying human greed rather than human needs, there is no way of reversing the wasteful consumption of the earth's resources. To avert it, we need to recover the traditional reverence mankind has always had towards "mother earth". Our attitude to it today is more akin to that of a locust swarm which consumes without conserving.

I therefore commend an old farmer's saying as a possible way out of our dilemma. "One should live," so the saying goes, "as if one would die tomorrow and farm as if one would live forever".

That is all of ecology for you in one simple, irrefutable sentence.

I referred a short while ago to hopes that the ocean will be the new economic frontier. After all, it covers some 70 per cent of the earth's surface and there must be enough untapped resources to sustain a permanent age of affluence for all mankind.

Sensibly treated, the oceans can no doubt add considerably to our resources. Then so can the earth if economics became a science of balancing consumption and conservation, which at the moment is not the case.

In 1969, some 63 million metric tons of fish came from the sea. This is estimated to be approximately about a fifth of what the ocean can yield. The catch can be tripled within a short time without damage to the ocean provided fishing methods are changed. At the moment, fish is hunted down. We "catch" fish. We do not "farm" fish. We have yet to move from the hunting stage to a farming stage in respect of the sea. Given modern technology of fishing, it is more than possible, if there are no restraints, that within a short time, fish resources could be so depleted as to preclude our ever being able to move to a farming stage. Unfortunately for mankind, fish, despite their small brains, are global in outlook and habits. They migrate freely in an ocean without frontiers. We may divide the oceans of the world into the Pacific, Atlantic and Indian Oceans but fish and other sea organisms see only a single body of water of over 300 million cubic miles in volume in which to roam freely. They follow the ocean currents, which also move without regard to national frontiers. A species may spawn in one part of the ocean and graze in another; hundreds and thousands of miles away. The bountifulness of marine life is conditional on what we humans too until recently accepted as the "freedom of the seas".

Now that we have abandoned this concept in favour of territorial frontiers on the sea, it is problematical whether the oceans will be as rich in marine resources as they have been. Unless we can persuade fish to cultivate strong national loyalties, the chain of life in the oceans could be broken. Excessive harvesting at one point of the ocean or disruption of the migratory routes or the destruction of spawning grounds of fish through pollution or other causes can soon deplete the sea of its organic wealth. Because of the close interdependence of marine life, an act by one nation within its territorial waters could destroy the vital assets of other nations thousands of miles away.

Apart from being a source of food, the ocean is a photosynthesiser that provides more than 70 per cent of the world's oxygen supply. Ocean currents follow established patterns and convey immense quantities of heat and moisture thousands of miles and, in the process, regulate the climate from the Equator to the Poles.

It is also highway for world trade, provided free by nature for all nations. A carve-up of ocean into sovereign zones could disrupt the global function oceans have performed from time immemorial.

Moreover, even as we debate how the oceans should be divided, we are also gradually converting them into global sewers. The oceans are now recipients of millions of tons of industrial wastes and poisonous chemicals discharged by increasingly polluted rivers as well as by oil slicks likely to multiply through unregulated oil exploration and sea-mining. Here too, these pollutants, like the sea creatures they are already killing off by their thousands, move without regard to frontiers to injure the culprits as well as nations not responsible for these offences.

Not only the sea, but soil, forests, rivers and the atmosphere itself are being progressively degraded. All these constitute the basics for any kind of life on earth — what the ecologists call the bio-sphere.

The problems I have dwelt upon so far are problems that transcend national frontiers and, if left unresolved, will bring, as the pessimists prophesy, disaster on all nations — the developed and the developing, the rich and the poor.

Is such a disaster inevitable? It is only inevitable if we refuse to face up to the facts that make it inevitable. We and not the stars are the authors of the human predicament. Since we are the authors, we can rewrite the story to make for a happier ending.

And how do we do this? I revert to U Thant's speech I quoted earlier. Only by entering into a true global partnership to cope with ever accumulating global problems can we resolve these seemingly intractable problems.

Given the intensity of contemporary nationalism, some would argue that it is not pragmatic to suggest approaches that require constraints on national interests on behalf of global interests. On the contrary, I believe that the global approach is the only pragmatic policy in a shrunken world.

The authoritative definition of "pragmatism" is the adoption of ideas, policies and proposals which are "useful, workable and practical".

In other words, pragmatic policies must produce the desired results and the whole of my address has been devoted to showing that, so far, policies based on narrow national interests have not only failed to resolve national problems but are also helpless before the accretion of global problems that threaten us all.

I take courage from the fact that narrow nationalism is already being undermined by the counter-forces of globalism. Even where this is not acknowledged publicly, quiet concessions are in practice

made to globalism as a pragmatic convenience. The three major bastions of national sovereignty — autonomy in respect of national economy, culture and defence — are increasingly being forced to come to terms with the reality of global interdependence. There is a growing realisation that solutions to national problems have to be sought outside national frontiers. Year by year, the areas where global co-operation has to be acknowledged are growing remorselessly, even though the concessions are made ungraciously.

This is reflected, for example, in the phenomenal growth of inter-governmental and non-governmental international organisations to co-ordinate and regulate functions of national importance. In 1910, according to the *Year Book of International Organisations*, there were 250 such organisations. By the early seventies they numbered some 2,500 and there must have been further additions since then. Their concerns range from commercial, industrial, financial, scientific and technological matters to co-ordinating matters relating to commodities, trade, health, aviation, shipping, communications, weights and measures and even refrigeration.

In theory, it is true we continue to behave and possibly even believe we are sovereign but, in practice, we are increasingly caught in a web of interdependence.

The cumulative and incremental expansion of global partnership is a process which can avert the disasters we fear. It is a slow process. It is undirected but it is there. I take comfort from the fact that all the great historic transformations of the past have also occurred through cumulative increments. This is how humanity evolved from hunters to agriculturists, from feudalism to capitalism and socialism, from autocracies to democracies and from savagery to civilisation of sorts. In none of these instances was the change instantaneous.

What is now required is a leadership which allies itself with the emerging force of interdependence and speeds up its triumph.

It is my hope that the new nations will give that leadership for the following reasons. First, they constitute the vast majority of the world's population. Second, the burden of the worsening world crisis will bear more heavily on them than on the developed north. Third, they stand to gain the most, should human affairs be conducted on the basis of an interdependency of nations.

What is really required to help the new force of globalism struggling to be born is what our Secretary-General, Dr. Kurt Waldheim, has often referred to as "political will". Although we live in an era of growing interdependence, the governments or member states are primarily motivated by the pursuit of national interests. The pursuit of national interests by 150 member states does not equate with global interest. Global partnership is the only alternative to global disaster. The realisation of global partnership will be a long and difficult task. For those who may feel intimidated by it, I offer a quotation from another Secretary-General, Dag Hammarskjöld:

"Those are lost who dare not face the basic facts of international interdependence. Those are lost who permit defeats to scare them back to a starting point of narrow nationalism. Those are lost who are so scared by a defeat as to despair about the future".