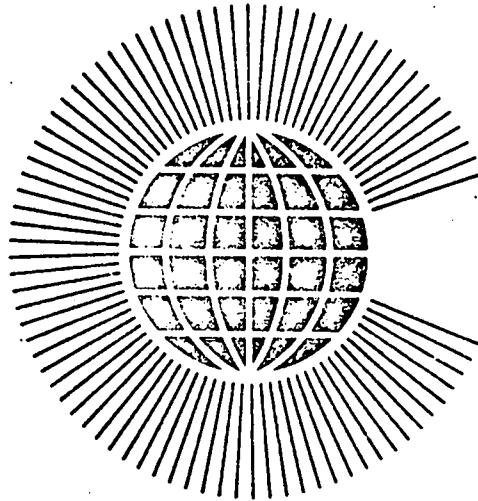


# Communiqué



Commonwealth Heads of Government  
Regional Meeting  
Sydney  
13-16 February 1978

1. Commonwealth Heads of Government of the Asian and Pacific Region met in Sydney from 13 - 16 February 1978. The Heads of Government who attended the Meeting were the Prime Minister of Australia, the President of Bangladesh, the Prime Minister of Fiji, the Prime Minister of India, the Prime Minister of Malaysia, the President of Nauru, the Prime Minister of New Zealand, the Prime Minister of Papua New Guinea, the Prime Minister of Singapore, the President of Sri Lanka, the Prime Minister of Tonga and the Prime Minister of Western Samoa. The Australian Prime Minister, the Rt. Hon. Malcolm Fraser, was in the Chair.

2. Heads of Government welcomed the Australian Government's initiative in proposing the Meeting which they felt provided a valuable opportunity at the regional level to discuss matters of common interest, including problems of a global nature, from the varied viewpoints and perspectives of their several countries. They noted that these countries together contained nearly one fifth of the world's population and were scattered over a hemisphere of the earth's surface. With its wide variety of human and natural resources, and its pressing problems of population and development, the area was in their view of key importance to the world's future. They believed that this importance was too frequently overlooked, and that the region and its problems and aspirations deserved a greater share of international attention and recognition.

3. They affirmed the importance of regional organisations such as the Association of Southeast Asian Nations and the South Pacific Forum, each of which, responding to the diverse conditions of different groups of countries within their respective regions, was making a significant and growing contribution to regional co-operation. It was their firm belief that these efforts should receive increasing international support in order to hasten economic and social development in accordance with the wishes of the peoples concerned.

4. They regarded their Meeting as complementing these processes of regional co-operation in a manner which, guided solely by practical considerations, sought to achieve additional benefits through programmes of further and mutually beneficial co-operation. Conscious of the realities of global and regional interdependence, and of the need for neighbouring countries in particular to explore every avenue of collaboration, Heads of Government expressed deep satisfaction with the results achieved at this their first Commonwealth Regional Meeting. They regarded these as having given an additional dimension to Commonwealth co-operation, thereby reinforcing the Commonwealth association as a whole.

#### WORLD AND REGIONAL POLITICAL TRENDS

5. Recalling the full Commonwealth Meeting in London in June 1977, Heads of Government reaffirmed the consensus achieved there on a wide range of international issues and reviewed the developments which had taken place since then. These once again demonstrated the validity of their profound conviction that fundamental changes were continuing to take place in the traditional pattern of international relations in a manner that required much greater stress on the practical politics of interdependence, within the region no less than world-wide. They agreed that the new approaches which this called for, encompassing political as well as economic elements, which were inseparably related, must advance the fundamental values of human dignity and equality. A region as variegated as Asia and the Pacific held a real potential for advancing the cause of a wider harmony by fostering a policy of mutual co-operation in an outward-looking spirit.

6. Heads of Government noted the dangers presented by Great Power rivalry to the peaceful and harmonious development of the region. They emphasised the importance of seeking the greatest possible freedom from the tensions caused by such rivalry and of promoting international stability and co-operation. They acknowledged, however, that the Great Powers had a positive role to play in supporting the economic and social development of the region.

#### South Asia

7. Heads of Government welcomed the developments towards an improved climate for friendly relations in South Asia as holding promise for greater functional and economic co-operation amongst countries of the area.

#### Southeast Asia

8. In reviewing recent developments in Southeast Asia, Heads of Government were encouraged by the efforts of the countries in the area to hasten economic and social development within their own countries and to promote peaceful and mutually beneficial co-operation among them. They expressed the hope that the development of friendly relations amongst these countries on the basis of respect for sovereignty, territorial integrity and non-interference in internal affairs would enlarge the areas of understanding and co-operation, thus enhancing the prospects of peace, freedom and neutrality in the area.

9. They noted with satisfaction the success of ASEAN in broadening and intensifying co-operation among the member states and between itself and other countries.

#### Pacific

10. Heads of Government recalled the significant changes that have taken place in the political status of many island countries in the Pacific in recent years. They recognised the importance of the newly independent island states and welcomed the movement towards independence of several countries in that area. Expressing satisfaction that these countries were already successfully engaged in various regional co-operative ventures, they called on the international community to give greater recognition to the special problems of these countries and to grant special measures, which would give added impetus to their economic and social development and to promote further co-operation and progress in the area.

#### Terrorism

11. Heads of Government deplored the persistence of violence in modern society and condemned the growing incidence of acts of terrorism world-wide. They recognised that greater international co-operation was essential to combat this menace. They agreed to explore ways in which their countries could enlarge collaboration, both regionally and internationally, in combating this evil, and decided to establish an ad hoc working group to pursue such efforts.

### Disarmament

12. Heads of Government discussed the importance of continuing efforts to advance the cause of disarmament in all its diverse aspects. In welcoming the forthcoming Special Session of the United Nations General Assembly on disarmament as a positive step towards world peace and security, they expressed their deep appreciation of the initiatives taken by the non-aligned movement and other countries to secure the convening of the Special Session. They expressed their sincere hope that it would lead to concrete action towards the objective of general and complete disarmament and the application of the resources thus released for assuring a better life for the peoples of the world.

### Indian Ocean

13. Heads of Government took note of the talks between the United States and the Soviet Union on mutual limitations of their military presence in the Indian Ocean and the assurances given by both countries that they would report on the progress of their talks to the Chairman of the Ad Hoc Committee of the United Nations. In this connection they expressed the earnest hope that practical steps would be taken for the implementation of the Declaration of the Indian Ocean as a Zone of Peace and other subsequent related Resolutions adopted by the United Nations General Assembly. They urged all the great powers as well as other major maritime users of the Indian Ocean to co-operate effectively with the littoral and hinterland states and with the Ad Hoc Committee in the current consultations for convening a conference on the Indian Ocean. They looked forward to the forthcoming meeting in New York of all the littoral and hinterland states as the next step towards the eventual convening of a full scale conference on the Indian Ocean.

### Southern Africa

14. Reviewing the situation in Southern Africa, Heads of Government reiterated their concerns and commitments expressed in London in June 1977. Condemning the racist system of apartheid in South Africa they once again called upon the international community to take effective measures to compel South Africa to bring about majority rule. They welcomed the recent talks held in Malta on Zimbabwe in the context of the Anglo-American proposals and stressed their belief that any solution from which the Patriotic Front was excluded would be unacceptable to the international community. They expressed the hope that the 5-power initiative on Namibia would contribute to speedy progress, in full co-operation with SWAPO, in effecting a transfer of power based on principles established under the relevant United Nations resolutions.

### Middle East

15. Heads of Government felt that the situation in the Middle East continued to pose a serious threat to world peace. They reaffirmed the necessity of urgently moving towards a just settlement of the problem on the basis of the relevant resolutions of the United Nations General Assembly and Security Council and the recognition of the legitimate rights of the Palestinian people.

## INTERNATIONAL ECONOMIC ISSUES

16. Heads of Government reviewed the current trends and prospects in the world economy and the present state of international economic co-operation in the light of the reality that the majority of the world's absolute poor lived in the region. They noted the close relationship between adequate economic development sustained over the long term and the maintenance of political stability. They agreed that, in the context of increasing interdependence, sustained and balanced economic growth world-wide would benefit all nations and stressed the need for international action which would promote structural change in the international economic system and enable the poorest nations to earn a more equitable share of the rising world product.

17. They acknowledged the value of the assistance which the international community had provided to the developing countries in the region and called for a sustained increase of those efforts. Heads of Government emphasised however that hard work, self-reliance and the pursuit of appropriate policies were the principal means for countries to achieve a satisfactory level of development and satisfy the basic needs of their populations within an acceptable period of time.

18. In this connection they stressed the urgent need for all countries to adopt effective domestic policies to achieve sustained economic recovery, to overcome inflation and to secure price stability, making the most efficient use of their own resources. They recognised, however, that unsatisfactory arrangements and developments in the international economy could nullify the effects of the efforts and sacrifice which the countries of the region might make.

### North/South Dialogue

19. Heads of Government welcomed the agreement reached at the 32nd Session of the UN General Assembly to establish a Committee of the Whole to oversee and monitor negotiations on New International Economic Order proposals and other economic matters. They agreed however that progress made so far in the substantive issues under negotiation was inadequate; they called upon all nations to promote early international consensus and action on the specific issues under discussion and to take other steps to ensure that, in a world which has the means and the resources to do it, the basic needs of all mankind would be satisfied within an acceptable period of time.

## Commodities and the Common Fund

20. Heads of Government agreed that the delay in introducing measures designed to stabilise commodity prices at remunerative levels had adverse consequences for producing and consuming nations alike. They noted that the continuing instability in commodity prices generally and the recent sharp decline in the prices of some commodities were adversely affecting development in all producing countries and aggravating the already serious balance of payments and debt servicing problem of many developing countries. They noted further that the unsatisfactory price levels were reducing the flow of much needed new investment funds into new commodity production which had a long lead time and hence endangering adequate future supplies. They agreed to take and to promote action in relevant international forums to secure greater progress in the negotiations on the implementation of the Resolutions of the Fourth Session of the United Nations Conference on Trade and Development and of the Conference on International Economic Co-operation on the Integrated Programme for Commodities, in which the establishment of a Common Fund is a key instrument.

21. Heads of Government expressed the hope that the UNCTAD Negotiating Conference on the Common Fund would reconvene as soon as possible. They undertook to do all they could to facilitate such an early resumption of the negotiations and indicated their willingness to participate actively and constructively in them to achieve an early successful outcome.

22. Heads of Government noted with interest the indications of the Government of Australia of its acceptance of the need for adequate direct Government subscriptions to a Common Fund, and for 'other measures', while recognising the need for further examination of the scope of such activities to be supported by the Fund.

23. They welcomed the report of the Commonwealth Technical Group on the Common Fund as a constructive contribution to the ongoing dialogue on the subject. They supported the proposal of the Commonwealth Secretary-General for a meeting of Commonwealth Ministers in March to consider the report with a view to advancing international consensus in the resumed UNCTAD negotiations on the Fund.

## Trade Policy

24. Noting the fundamental importance of freer international trade to economic development, Heads of Government emphasised the urgent need for a substantial liberalisation of the international trading system within the current Multilateral Trade Negotiations. In this regard, they stressed the importance of improved access for agricultural products to the major consumer markets.

25. Heads of Government expressed their concern over rising protectionism in the industrialised countries against manufactured goods which countries of the region were well equipped to supply. They were also concerned over the damaging effects of non-tariff and other barriers in trade in agricultural products which were of major importance to regional countries.

26. They noted that the restrictions in agricultural trade had a doubly adverse effect on the developing countries in that they reduced the capacity to import on the part of those developed countries for whom agricultural exports comprised a high proportion of their export trade.

27. They urged the key industrialised countries to take the lead in giving effect to the undertakings which they had repeatedly given in the past to liberalise speedily the conditions of world trade. In this connection they also referred to the need for the European Economic Community to devise appropriate solutions, as envisaged in the Joint Declaration of Intent, to the problems of the trade of the Asian developing countries which had arisen as a result of the enlargement of the EEC.

#### Industrial Development

28. Heads of Government agreed that accelerated industrialisation of the developing countries in the region would not only sustain development in these countries but also enlarge the markets for capital and skill intensive manufactures and services which the industrialised countries have the capability to supply. They also noted the crucial role of appropriate technology in the economic development of the developing countries.

29. They urged the industrialised countries to adopt policies to improve access for manufactures from the developing countries as rapidly as possible and to facilitate the mutually beneficial process of increasing the share of the developing countries in a rising world industrial production.

30. They noted that the Commonwealth Team of Industrial Specialists was examining specific programmes of action to assist developing countries to industrialise, including proposals for the establishment of a Commonwealth Fund for Industrial Co-operation and Development and a Centre for Development and Diffusion of Appropriate Technology. They expressed the hope that the report would be presented at an early date and would identify specific measures for facilitating industrial development in the developing countries. Noting that the Team's report would be considered by all Commonwealth members, they agreed to consult thereafter, at an appropriate time, on ways in which the Commonwealth countries of the region might give effect to any decisions agreed by Ministers.

### External Debt

31. Heads of Government reaffirmed the importance of enlarging external capital flows on appropriate terms to the developing countries in order to help them to increase their rate of economic and social development. In this connection, they reviewed the problems which some developing countries now experience in servicing their existing debt obligations. They recognised that while some developing countries had the capacity to service a higher level of borrowing, for others, renegotiations of existing debt obligations are now or shortly may be necessary. They noted that certain donor countries had waived the official debt service obligation of the least developed countries. They stressed the importance of early agreement on the appropriate machinery to examine the debt problems of the developing countries.

### Official Development Assistance

32. Developed countries at the meeting reaffirmed their commitment to increase their ODA with a view to reaching the 0.7% target. Recalling that the commitment to increase their ODA towards the target and improve the quality of their assistance was also entered into by other developed Commonwealth countries, and noting that the developed countries in the region provided virtually all their ODA on grant terms, Heads of Government renewed the call for other donor countries to make a parallel effort to improve the volume and quality of their ODA in accordance with the UN target; they also stressed the need to enlarge multilateral mechanisms which would enable developing countries to expand their assistance to each other.

33. In this connection, Heads of Government noted that the economic situation in the least developed and 'most seriously affected' countries had shown little improvement in recent years and that in some cases it had worsened. They urged donor countries and international agencies to commit themselves to a continuing enlargement and a softening of the terms of the assistance they provide to these countries.



#### Human Resource Development

37. Heads of Government attached the highest importance to the development of the human resources of the countries in the region. They noted the contributions which the developed and some developing countries were already making in the form of technical assistance and training facilities for students from the developing countries in the region; they expressed the hope that this contribution would be continued and enlarged.

#### Food Production and Rural Development

38. Heads of Government recognised the crucial role of increased food production and rural development in the economic development of developing countries. While the food supply position had improved appreciably during the last few years, it was still inadequate to meet consumption requirements. They recognised the urgency of expanding food production and also recommended that measures be devised to improve marketing, employment and incomes, as well as for the provision of food aid and other basic human needs through rural development. They agreed that food surplus countries together with other donor countries should make special efforts to ensure world food security. They urged that the Commonwealth Advisory Group should report at an early date on concrete measures and practical programmes towards meeting these objectives.

#### Illicit Drug Trafficking

39. Heads of Government recognised that the illicit drug traffic was a growing problem for several countries of the region. They welcomed efforts to suppress the traffic and expressed the view that these efforts needed to be intensified. They confirmed their willingness to co-operate with each other on these matters recognising that the work of international agencies formed the basis for such regional co-operation. In this context, they agreed that interested countries should be invited to participate in a working group of officials to examine the possibilities for further regional co-operation.

#### Commonwealth Fund for Technical Co-operation

40. Heads of Government recognised the important contribution being made by the Commonwealth Fund for Technical Co-operation as a quick and flexible instrument to supplement the bilateral and other multilateral programmes of technical assistance to developing countries in the region. Noting with appreciation that the region accounted for one third of the Fund's commitments to all Commonwealth developing countries, they emphasised the importance of ensuring that the Fund played an effective role in meeting the expanding needs of Commonwealth Governments, so enabling it to continue to demonstrate in a practical way the ideals of co-operation and mutual assistance, and to strengthen the multilateral links among Commonwealth countries and peoples.

#### SPECIAL PROBLEMS OF SMALL STATES

41. Heads of Government recognised that special measures and relationships were necessary to assist small States to realise their development potential. In this connection they welcomed the establishment of the Pacific Forum Line as an important vehicle for promoting the export trade and development of the Pacific Island States. They were also mindful of the important developmental role played by regional island air carriers through the Pacific and the need to sustain these services economically. The developed and the industrially advanced developing countries agreed to examine ways of meeting the needs of the islands for growing flows of concessionary finance to improve and operate their infrastructure and develop technical and professional skills, for technical assistance to enable them to derive maximum advantage from their Exclusive Economic Zones, and for favourable conditions of access to the markets of the larger countries for their agricultural and manufactured products.

42. Heads of Government also recognised that the range and complexity of international issues under negotiation were placing very heavy burdens on the financial and manpower resources of the small states in the Commonwealth. They acknowledged a collective responsibility to render special assistance to these countries to enable them to pursue their vital national interests. Noting that the need for such assistance will grow with the achievement of independence by a number of very small Commonwealth countries in the years immediately ahead, Heads of Government felt that systematic programmes of assistance for these countries should be established as a matter of priority. Such programmes should be particularly concerned with the problems of providing the assistance required for international representation and for support in financial, trade and other negotiations related to the promotion of their development, and with the wider question of how the Commonwealth collectively might better serve the needs of its smallest member states. Recognising that many such states were in other regions of the Commonwealth, they invited the Secretary-General to examine the most appropriate ways in which such assistance might be rendered on a Commonwealth wide basis and urged him to seek general Commonwealth support for such programmes. They noted the opportunity which the meeting of Commonwealth Senior Officials later this year would provide in this regard.

Follow up action

43. Heads of Government were satisfied that their Sydney meeting fulfilled the highest expectations of the discussion on regionalism at the Commonwealth Heads of Government Meeting in London last June. They agreed that it served to further confirm and strengthen their faith in the value of the Commonwealth generally. They invited their Chairman to convey these sentiments to all other Heads of Government.

44. With a view to ensuring effective follow-up action on their decisions, Heads of Government further agreed that:

(a) The following regional Governments will act as the co-ordinators in respect of particular decisions involving follow-up action:

- |       |   |             |
|-------|---|-------------|
| (i)   | Consultative Group on Trade (paragraph 34)    | - AUSTRALIA |
| (ii)  | Consultative Group on Energy (paragraph 36)   | - INDIA     |
| (iii) | Working Group on Terrorism (paragraph 11)     | - SINGAPORE |
| (iv)  | Working Group on Illicit Drugs (paragraph 39) | - MALAYSIA  |

(b) The Secretary-General be requested to:

- (i) develop and put forward to the Commonwealth Senior Officials Meeting in Malaysia later this year proposals on special Commonwealth programmes to assist small states; and
- (ii) provide liaison facilities in relation to all follow-up action through a consultant provided by the Secretariat and based in <sup>the</sup> South Pacific Bureau for Economic Co-operation whose duties will include the co-ordination of all follow-up action, the provision of Secretariat resources for it as required, and keeping all regional Governments in touch with developments. The Government of Australia has offered initial financial support for the Secretariat's follow-up work.

(c) They would meet again at Delhi in 1980 to renew their conversations and to review progress on the implementation of their decisions at Sydney.

APPRECIATION TO HOST GOVERNMENT

45. Heads of Government expressed their warm appreciation of the excellent arrangements made for the meeting by the Australian Government. They also thanked the Australian Government for its unstinted hospitality.