

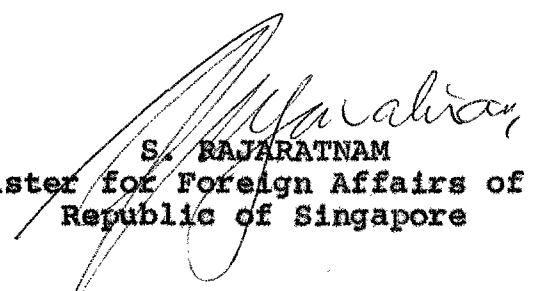
Excellency,

I have the honor to acknowledge receipt of Your Excellency's Note of today's date which is attached.

I have further the honor to confirm on behalf of ASEAN, that this Reply and Your Excellency's Note shall be considered as constituting an understanding between ASEAN and the United States which will become effective upon notification to the Government of the United States by ASEAN of their acceptance of this understanding, and will remain in force until terminated by either ASEAN or the United States.

For purposes of coordinating the implementation of this Project, ASEAN will be represented by the Director-General, ASEAN-Singapore in the Ministry of Foreign Affairs of Singapore.

On behalf of ASEAN, I avail myself of this opportunity to extend to Your Excellency the assurances of our highest consideration.



S. RAJARATNAM
Minister for Foreign Affairs of the
Republic of Singapore

2 July 1979
Denpasar, Indonesia

Institute of Southeast Asian Studies

ASEAN ECONOMIC RESEARCH UNIT

Bearing in mind

- the changing International Economic Order and the growth problems potential, and requirements of ASEAN;
- the urgent need for serious and sustained investigations and study into the issues involved and their implications for the region;
- and that if such investigations and study are to be credible and useful, they need to be carried out by interested, but non-partisan, independent bodies,

it has been agreed that an ASEAN Economic Research Unit be established at the Institute of Southeast Asian Studies.

To be worthwhile, and of lasting and incremental value, this Unit would be so designed as to be able to function on a regular and continuous basis with the proviso, thought, that its progress will be reviewed, say, every three years or so and any modifications recommended thereupon incorporated as considered necessary.

I NAME

The Unit is to be known as the 'ASEAN Economic Research Unit'.

II ORGANIZATION

Whilst functioning as a fairly self-contained body, the Unit would be an integral part of the Institute, and will have close working relations with - assisting and in turn benefiting from - the various other activities already in progress at the Institute under the rubric "ASEAN Studies". It would be under the overall supervision of the Director of the Institute, who would act as Chairman of, say, the Management Committee of the Unit. The Unit itself would be run by its own head who would, for want of a better title, be known as the Head of Unit. This Head of Unit would preferably be of professorial rank. Below him would be a number of senior research Fellows. There would also be provision for attaching in some manner, both from within and outside the region, Visiting Fellows, University staff members, as well as others to the Unit from time to time. This arrangement would allow for the tapping of a wider pool of local, regional, and international professional expertise.

Some M.A. level Research Associates would be useful additions to the core research staff of the Unit, and efforts would be made to get such people.

An editor, a translator/documentation officer, a secretary, a typist, and an office assistant would complete the infrastructural back-up staff. Additional staff could be recruited as and when considered necessary and desirable.

III FUNCTIONS/OBJECTIVES

A. Publications:

1. Journal. ASEAN Economic Bulletin;
2. Newsletter; and
3. Occasional Papers/Monographs.

Into these outlets would go relevant data infrastructure, ASEAN and other Southeast Asian governments' reports and statements, international economic events and developments, and, of course, the research findings of the members of the Unit itself, as well as those of others associated with it.

B. Conferences/Workshops/Seminars:

These, for example, could be focussed on such issues as:

1. Intra-ASEAN trade and existing legal and economic constraints;
2. Commodity exports;
3. Tariff and non-tariff barriers to exports of ASEAN manufactures;
4. ASEAN and the MNCs; and
5. World invisible trade and ASEAN.

Apart from their own intrinsic merit, these seminars, workshops and conferences would generate additional material for inclusion in, and distribution through, the ASEAN Economic Bulletin, Newsletter, etc.

C. Research:

1. Broad perimeters.
2. Within these, sharply focussed studies on, for example:

(i) External Dimensions

- international monetary issues/ASEAN;
- commodity arrangements/experts;
- bilateral and international agreements;
- ASEAN/EEC, ASEAN/Japan, ASEAN/Australia, and ASEAN/U.S.A. economic relations;
- market/access/trade terms;
- Southeast Asian socialist economies and ASEAN;
- the broader political ramifications of effective/non-effective ASEAN economic cooperation;
- etc., etc.

(ii) Internal Dynamics

- mechanisms for and ramifications of regional tariff reductions;
- the complementary and competitive nature of ASEAN economies;
- potential for economic conflict and complementation in ASEAN and Southeast Asia;
- regional industrial projects;
- the politics of economic cooperation;
- the political economy of ASEAN;
- etc., etc.

E. Commissioned Research:

Once the Unit was established and credible, it may want to, and could, undertake commissioned research for regional organizations and committees such as, for example, the various ASEAN Committees, etc.

F. Training of Research Associates and Others:

1. In addition to receiving on the job training from the senior Fellows/Visiting Fellows, the Research Associates would be expected to enroll for Ph. D. degrees at their chosen universities or elsewhere. From the more promising ones among these Research Associates would hopefully come at least one or two potential staff members to man the Unit in place of the Fellows. As such, the selection of

these Research Associates would have to be extremely careful and stringent, and the remunerations offered sufficiently attractive, to ensure candidates of talent and developmental potential.

2. Once the Unit was functioning smoothly and effectively it may also be possible to consider attaching to it other younger economic graduates or part of their field experience/training for example, the M.A. or Ph. D. candidates in Economics at Thammasat, University of the Philippines, and other similar institutions.

F. Associated Activities:

In addition to cooperating with other activities at the Institute focussed on ASEAN, the Unit could have working links with, say, Economics graduate centres and other research organizations in and outside the region, such as, for example, Thammasat, University of the Philippines, the Malaysian Economic Association, LEKNAS, as well as others, like the Australian National University and the Institute of Developing Economics (Tokyo), interested in the economic problems of the region.

IV. REGIONAL ADVISORY COMMITTEE

An Advisory Committee, consisting of a senior economist from each of the ASEAN countries, has also been established. This Committee, in addition to assisting and guiding the Unit in every manner possible, will allow for greater contacts with both regional and international economists and organizations, thereby further facilitating the research and professional programmes of the Unit.