

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF AUSTRALIA, THE RT. HON. MALCOLM FRASER, HELD IN PARLIAMENT HOUSE, CANBERRA, ON SATURDAY 30 JUNE, 1979 AT 1600

Present

The Prime Minister	The Rt. Hon. Malcolm Fraser, M.P.
Sir John Hunt	The Hon. Andrew Peacock, M.P.
H.E. Sir Donald Tebbit	Sir Geoffrey Yeend
Mr. C.A. Whitmore	Sir Gordon Freeth
	Mr. R. Holditch

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Rhodesia

The Prime Minister said that she and Mr. Fraser had devoted most of their tête-à-tête discussion, which had begun an hour earlier, to the problem of Rhodesia. It had been one of the first tasks of her Government to convince black African countries that the UK was not holding up the recognition of Rhodesia until after the Commonwealth Heads of Government Meeting at Lusaka only to recognise Bishop Muzorewa's Government and to lift sanctions immediately the Conference was over. To dispel this suspicion the Government had sent Lord Harlech to visit the Front Line states, Nigeria and Malawi, and he seemed to have made good progress in convincing the Governments of those countries that we were genuinely trying to find a way forward. Lord Harlech had emphasised that the election in Rhodesia had been based on one man one vote, had been fought by four parties and had brought out 65 per cent of the electorate. Such an election was a factor in the Rhodesian situation which could not now be ignored. The critics had not, however, been disarmed and they were now arguing that the constitution on which the election had been conducted was unsatisfactory because it embodied a continuation of white power. But this was a misrepresentation of the constitution which contained no more than a blocking mechanism in favour of the whites. Even so there was a need for some development of the constitution for otherwise there was very little chance that the

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Extracts to
 ✓ Rhodesia Situation
 ✓ Econ Pol, May 79, Tokyo Summit
 ✓ Defence, Pt 2, Salt/CTB
 ✓ Middle East, May 79 Situation

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new Government in Rhodesia would win widespread international recognition. Lord Harlech had made his first report to the British Government and he was now going to Salisbury the following week to see whether Bishop Muzorewa recognised the need for some changes in the constitution and to assess the prospects of getting such changes accepted in Rhodesia. If the constitution was amended too drastically there was a risk that white confidence would be lost and this could lead to a large-scale exodus of whites. On the other hand, it was important to get Bishop Muzorewa to acknowledge the need for some movement on the constitution if his Government was to gain international recognition. The British Government's public position at present was that we were still engaged in consultations with the Governments most directly associated with the Rhodesian problem, but we were also exploring privately how the constitution might be changed, drawing upon the provisions of the constitutions of some of our former colonies.

We had also been taking soundings of the Francophone countries, with an eye on the OAU meeting on 7-8 July, and there were signs that some of these countries accepted that the Rhodesian election was now a major factor that could not be overlooked. President Moi of Kenya had also taken a similar line during a recent State Visit to London, though he had made the point that the constitution was not yet adequate.

The British Government also had its own domestic constraints. The renewal of sanctions in November was out of the question. There were those who argued that even if the conditions were not right by then for recognition, sanctions could be treated separately because they were something quite different from recognition and could be dropped in isolation. But there was also a good deal of pressure on the Government to go ahead now and recognise the Muzorewa Government. Those who took this line pointed out that the Government had recognised the new regime in Ghana almost immediately it had come into power, though, subsequently, it had executed two former Heads of State and a number of other senior officials. We had also recognised the Governments of Mozambique and Angola, even though democratic elections had never been held in those countries. It was suggested

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that if we were prepared to extend recognition in such cases, there was no reason why the same should not be done for the new Rhodesian Government. It was possible to argue in response that the regimes in Mozambique and Angola had never been illegal, but the question of recognition remained a highly sensitive one. Democracy was about the internal form of government which the people of a country wanted. The present Rhodesian constitution might not be perfect but the fact that 65 per cent of the electorate had voted showed that a majority of blacks had confidence in the constitution. It was therefore impossible for the British Government to accept that the bullet had the right of veto over the ballot. To take any other line would be to acknowledge that democracy could be subject to terrorism. Nonetheless, if it proved possible to go forward with proposals for changing the present constitution, efforts should be made to involve the Patriotic Front as well as the other parties in the Rhodesian situation in the consultations on the proposals. We could not however let Mr. Nkomo and Mr. Mugabe have any kind of veto. It was likely in practice that the Patriotic Front would accept only those proposals which would lead to their assumption of power. If they adopted an intransigent line of this kind, it would be important to put them on the wrong foot in relation to their front line hosts. They might of course refuse to discuss any constitutional change, but this too would weaken their position in relation to their hosts.

Mr. Fraser had suggested during their tête-à-tête discussion that no firm proposals for constitutional change should be made at Lusaka but that a procedure for bringing forward proposals for further political progress in Rhodesia should be launched before Lusaka and an effort made to get the black African governments to accept it. A factor in the pre-Lusaka situation was that Bishop Muzorewa was visiting the US and then the UK in the first two weeks of July, and we would be seeking to establish with him what constitutional changes he could accept.

Mr. Fraser said that there was no question of trying to reach agreement at the Lusaka meeting, which was now only four weeks away, on precise changes in the Rhodesian constitution. To attempt to do so would risk outright rejection of whatever proposals the UK put forward. Rather, the aim at Lusaka should be to gain acceptance of the general proposition

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that the constitution should be changed in the direction of greater Africanisation and that all the parties concerned, including Mr. Nkomo and Mr. Mugabe, should be involved in this process. If the Conference could agree on this broad approach of building on what had already been achieved in Rhodesia - and he acknowledged that the present constitution was a big step forward - it would give the people of that country and the rest of the Commonwealth confidence that solutions could be found. At the same time, once the black African countries could see that the UK was actively seeking constitutional changes and they could see the process by which such changes would be agreed, the heat would be taken out of the Rhodesian issue at Lusaka. He wished to re-emphasize, however, the importance of avoiding formal and detailed proposals for constitutional change at the Conference.

Mr. Peacock added that he did not believe that the UK could go any further than this. But many African countries and especially Nigeria, who was particularly inflexible, would not regard what Mr. Fraser was suggesting as going far enough.

The Prime Minister said that we should not underestimate what had already been achieved in Rhodesia: there was a black majority in the Rhodesian Parliament, and a majority of Ministers were now black. Bishop Muzorewa was in charge of the Government, though it was worrying that he was not doing more to exert his power in a practical sense and that there was so much dissension amongst the African politicians in Salisbury. What mattered now was that Bishop Muzorewa should move quickly to establish the authority of his Government. There was a narrow path to be trodden between finding the right measure of further constitutional change and undoing what had already been achieved to a point where the whites lost confidence and started to leave Rhodesia. Early progress in Rhodesia would also be needed to help justify the ending of sanctions in November. Her main aim at Lusaka would be to try to win support for recognition of Bishop Muzorewa's Government.

Mr. Fraser said that his Government believed that although Bishop Muzorewa could give orders, it was doubtful whether they would be carried out by the whites in executive positions. A good

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deal of power still remained in white hands. If we defended the present constitution too strongly this would be interpreted by the black African Governments as meaning that there would be no change in the constitution. This would risk serious difficulties at Lusaka. Yet he believed that the African countries wanted to see a way forward. Despite the strength of their feeling about Rhodesia, not even Nigeria could want war. He was therefore hopeful that the African countries would be ready to accept the kind of process for advance that he had described. If the Commonwealth supported the process but Mr. Nkomo and Mr. Mugabe still refused to participate in it, this would expose them. If, on the other hand, the UK were to recognise Bishop Muzorewa's Government without black African agreement, the outcome would be increased support for the Patriotic Front, perhaps even extending to greater direct military involvement by the Front Line states. If that happened Bishop Muzorewa would not last 12 months. There must be an adequate measure of acceptance by African Governments of whatever further constitutional and political changes in Rhodesia were put forward. If that were made clear, we might get through Lusaka without an explosion.

The Prime Minister said that President Nyerere and President Kaunda were in considerable difficulties and would probably welcome an agreement on Rhodesia. But they were committed to supporting Mr. Nkomo and Mr. Mugabe: President Kaunda, for example, did not dare withdraw his support for Mr. Nkomo. African involvement in and acceptance of any further changes in Rhodesia could not be tantamount to giving the Patriotic Front a veto on changes in the Rhodesian constitution. If Mr. Nkomo and Mr. Mugabe could be brought to a conference on constitutional change, there was a real danger that far from agreeing to the kind of process Mr. Fraser had in mind, they would seek to manoeuvre the consultations into deadlock, since they still believed that they would win power by force. But the British Government could not conceivably let itself appear to back the Patriotic Front against the mass of the Rhodesian population whom the guerillas were terrorising and who were the people who elected Bishop Muzorewa's Government. This was the weakness underlying the process suggested by Mr. Fraser.

/Sir John Hunt

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Sir John Hunt said that we might be able to get through Lusaka on the basis of African acquiescence that there had been change in Rhodesia, that there would be further constitutional advance and that this advance would need to be accepted within Rhodesia and, as far as possible, by the international community. But it was not clear what Mr. Fraser meant by the working out of a process. If he had in mind that the whole Commonwealth should be involved, this was impracticable and certainly would not produce agreement in Lusaka.

Mr. Fraser said that he doubted whether this would be a sufficient basis on which to get through Lusaka. He believed that the UK should work out how further change in the direction of increased Africanisation of the constitution was to be accomplished and how consultation was to be carried out with the parties. This should be explained at Lusaka and if the Conference accepted what was proposed, this would be a very big step forward. The African states would not support Bishop Muzorewa unless they could see in advance how further change was to be brought about. If their support was secured, Mr. Nkomo and Mr. Mugabe would have the choice of participating in the process or of isolation but if the African states did not give Bishop Muzorewa their support but on the contrary backed the Patriotic Front more actively, he would be lost, for the UK could not give him military protection.

Sir John Hunt said that we might be able to convince some members of the Commonwealth that the British approach was a genuine attempt to reach a solution. But many of them would want to leave the ball firmly in the UK's court. It would be very difficult to get them positively to accept the steps Mr. Fraser was proposing. The most we probably could hope to win was tacit understanding of how we were planning to play matters.

The Prime Minister said that the political difficulties of some of the black African leaders meant that we were unlikely to gain their active support for our way of making progress: acquiescence ex poste facto was the best we could expect. We should avoid crystallising the position too much, since this

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could force the hand of the Front Line states. But we could not take too long: the longer we delayed, the more Soviet weapons would get into the hands of the terrorists and the longer we should be denying the Rhodesians the means to fight back. The Cubans and East Germans were becoming more and more strongly entrenched in Africa. The Soviet strategy was to establish a zone of influence right across Africa extending from the Horn of Africa through Zambia and Rhodesia to Angola. This would make it easier for them to shape events in Southern Africa, which was a vital source of raw materials for the West and which lay across the West's oil lifeline. Lee Kuan Yew had told her when she had met him recently that a factor which weighed with the Africans was that the Russians stood by their friends when they were in trouble, whereas the West did not.

Mr. Fraser said that he regarded the preservation of Western influence, and specially of British influence, in Africa as the paramount objective. If this could be achieved with British-style democracy, so much the better. But because a country had a black African type of Government, it did not necessarily mean that British influence need be diminished. This broad objective was more important than what happened to Bishop Muzorewa. He did not want to see terrorism win in Africa. But there was a choice of means of defeating terrorism. It could be done by superior force but this was very costly; or it could be done by undermining the terrorists' support. The latter course, however, required the support of African states. If it was eventually possible to devise a package of change for Rhodesia which was negotiable with both the Front Line states and Rhodesia, it would be easier to move Rhodesia in the direction of the Front Line states than vice versa, in order to win acceptance of the package and to obtain a constitution that would survive. He did not believe that he and the Prime Minister differed over their objectives, but there were differences of emphasis over how to reach those objectives. There should be further consultation between their two Governments before Lusaka. Mr. Peacock would be seeing the Foreign and Commonwealth Secretary in London on 22/23 July.

/The Prime Minister

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The Prime Minister said that the British Government was moving cautiously and we might not be much further forward when Mr. Peacock came to London. They were moving forward on stepping-stones. They could see the next two or three stones but not yet those beyond them. They were not seeking confrontation with anyone over Rhodesia and after consultations the acceptance of the African states for what was proposed should not unreasonably be withheld. But it had to be borne in mind that Mr. Mugabe was a Marxist, and Marxists never changed their philosophy. Rhodesia, on the other hand, could reasonably claim that she had done all that could fairly be expected of her and could ask what more was required of her. One reason why the black leaders in Salisbury were falling out was that we had given no hint that Bishop Muzorewa would eventually have our full support and so emerge as the winner. We should take care not to throw away what had been accomplished already in Rhodesia for a gain we might not in the end achieve.

Tokyo Summit

The Prime Minister said that the Economic Summit had begun with a discussion of the general world economic situation. This was now worse than it had been a year ago because of the recent increases in oil prices: the prospects for growth, world trade and inflation were now worse. It was most important that countries did not try to accommodate the growth in inflation by printing money: rather, they should adopt policies designed to fight the new situation.

The greater part of the Summit Meeting had been devoted to the problem of energy. It was ironic that while the Meeting was going on, the news had arrived of the OPEC decision to increase the price of oil. It was OPEC that was putting a strain on the world economic system. For example, Saudi Arabia could supply another 1½ MBD more than now but refused to do so. There was a real risk that the free world would become a hostage to the oil producing Arab States. This development had made those attending the Summit Meeting all the more determined to try to bring oil supply and

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demand into balance, and this required the emphasis to be put more on reducing oil imports than on oil consumption as such. With this objective in mind, France, Germany, Italy and the United Kingdom had gone from the previous week's meeting of the European Council in Strasbourg with a general commitment for the Community as a whole not to import more oil in 1985 than they had done in 1978. When the other three nations attending the Tokyo Summit - the United States, Japan and Canada - had been asked whether they would match the commitment of their European partners, their response had been that they could do so only if the Europeans were treated not as an aggregate but as separate countries. This approach presented problems for the smaller members of the Community, like Holland, whose room for manoeuvre was rather less than that of the bigger members of the Community. On the other hand, the fact that the UK would not need to import oil from 1981 onwards gave the Community as a whole a margin within which to work. Nonetheless, the United States had held out and had said that they could not accept an individual target unless the European countries did the same. It was, therefore, agreed that the four European countries should recommend to their Community partners that each country's contribution to the annual levels of imports should be specified. In return, the Americans agreed to adopt as a goal for 1985 import levels not exceeding the levels either of 1977 or the adjusted target for 1979, i.e. 8.5 MBD. This undertaking might well cause difficulties for President Carter. American oil production was falling by 6 per cent per annum, despite the Alaskan Slope, and they would have to try not to import additional quantities to offset this fall in domestic output. Further, despite the fact that many Americans still refused that there was a genuine oil crisis, he would try to cut down subsidies on consumption. President Carter had been attacked during the Summit Meeting for his \$5 a barrel subsidy on heating oil but he had explained that he had been compelled to take this step in order to bring back to the United States traditional supplies from the Caribbean which had been diverted by higher prices elsewhere. The Japanese had accepted a 1985 target of between 6.3 and 6.9 MBD. Their present consumption was 6.5 MBD, and they had to allow some headroom in their target

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for future economic growth. Japanese per capita consumption was in any case relatively low. Canada was in a particularly difficult situation because her domestic oil production would decline sharply between now and 1985 before it began to rise again as supplies from the Yukon became available. In the short term, therefore, Canada would be making a rather greater demand on the world oil market than previously. Nevertheless, she had agreed to maintain her imports in 1980 at a level not higher than those in 1979.

All the countries attending the Summit Meeting agreed that the most effective means of achieving these targets for oil import levels in the short term would be by letting the price mechanism work in full. Moreover, they all accepted that they must act together, since to do otherwise would simply be to transfer the problem to other countries. In the longer term it was agreed that the free world must make itself less vulnerable to restrictions on its oil supplies. This meant introducing alternative sources of supply. The most important of these would be nuclear energy, the use of which would need to be expanded considerably. It would, however, be essential to ensure that the requirements of safety were properly met. There would probably be a greater use of coal, though it was wrong to think that coal was free of environmental problems. President Carter was anxious that there should be international collaboration on the extraction of oil from coal, but this was likely to be a very costly road to follow.

Mr. Fraser said that it was clear that the oil situation would result in unemployment remaining at a high level and in world trade growing, at best, only very slowly. There would also be serious implications for the developing countries, and he wondered whether this prospect did not offer a card which could be played against OPEC. Hitherto the developing countries, both oil producing and non-oil producing, had shown considerable solidarity, but there might now be advantage in conducting a discreet campaign to show the non-oil producing developing countries that OPEC's price increases were likely to destroy their economies.

/The Prime Minister

The Prime Minister said that the reaction at the Summit Meeting to the news of the latest oil price increases had been such that a passage critical of OPEC had been included in the communique. She had not been sure about the wisdom of this for the economic investment of OPEC countries in the West was so great that we could not afford to alienate them. It was also true that they could themselves face damaging political consequences domestically if Western economies were seriously hurt.

Middle East

The Prime Minister said that President Carter was acutely aware of all the obstacles in the way of making progress on the Middle East but he felt that he had no choice but to push ahead. She, like a number of other Western leaders, had tried to persuade Mr. Begin to modify his policies on the West Bank but they had all received the same answer that Israel was entitled to establish settlements in biblical Judaea and Samaria.

SALT II

The Prime Minister said that the British Government had had personal assurances from President Carter that the SALT II Agreement contained nothing which would prevent the United Kingdom obtaining from the United States the technology necessary to keep the UK deterrent effective and to modernise it. More generally, the Treaty appeared to let the strategic balance swing more towards the Soviet Union: for example, it did not cover the SS20 missile and the Backfire bomber. But President Carter maintained that SALT II was much better than SALT I and that the Soviet Union had tried to meet the United States on all major points in the negotiation of the Agreement. Despite the President's satisfaction with the Agreement, he was plainly in for a long, hard struggle in getting it ratified by the United States Senate.

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