



Prime Minister

#### MELBOURNE DECLARATION

The Chancellor of the Exchequer minuted to you on 5 August about the Declaration on North/South relations which Malcolm Fraser would like to see issue from the Melbourne meeting of Commonwealth Heads of Government. He suggested that you might like to send Mr Fraser a counter-draft, saying that you saw considerable difficulty about his original version.

2. I agree with the Chancellor that Mr Fraser's document is not to our taste. His own counter-draft is skilfully worded and naturally much more in the spirit of our own thinking.

3. But I would hesitate to send a counter-draft. This would, I think, be very doubtful tactics for the reason that Mr Fraser has drafted much of the document himself. (We have been told this by Professor Harries, who advises Mr Fraser on all this.) He is very keen on the subject, as his public statements and his article in The Times of 11 August (copy enclosed) have shown. We must therefore reckon both on considerable pride of authorship and on genuine strength of feeling about the content of the draft.

4. Mr Fraser will also realise that a great majority of the Commonwealth will readily respond to his approach. It would appeal, for example, to most Africans. There are some, like Mr Ramphal, who might want to go further. In the old Commonwealth, Mr Trudeau would not want to hold things back and Mr Muldoon has other priorities. Mr Fraser will therefore know that any reservations we expressed would be unlikely to find much support elsewhere.

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5. I therefore believe that we should not offer a counter-draft and should limit our comments to a few key points. To my mind, these are:

- (a) The draft Declaration implies that the problems facing the developing countries can only be solved by international action. There is nothing about the efforts which these countries can, and must, make to help themselves. This should be remedied.
- (b) The draft says nothing about the plight of the poorest countries, whose growth rates have been far lower than those of the middle-income countries during recent years. This, too, should be remedied (perhaps with the addition of language about the need for the developed countries to concentrate on the poorest countries in their aid-giving).
- (c) The draft implies that institutional change is necessary to prevent what it calls 'disruptive involuntary change imposed by breakdown and conflict'. We do not think that much institutional change is needed. Indeed, we believe that the existing institutions have functioned well in difficult and changing circumstances.
- (d) The draft implies that inequalities of wealth among states endanger the peace of the world. We believe that political rather than economic conditions are responsible for the most serious threats to the peace of the world.

6. When you saw Mr Fraser you said that any language which implied that the rich countries were responsible for the poverty of the developing world should be rejected. He appeared to share this view and his Times article reflects this. I do not in fact think that the language of his draft carries this implication. It seems quite

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close to the spirit of your own remarks in Bordeaux last September:

'The disparity in wealth between the richer nations of the world - many of them outside Europe, some of them in the Group of 77 - and the poorer must be diminished. It is contrary to the principles of human dignity which underlie our own European civilisation. It provides opportunities for the enemies of freedom to extend their influence.'

7. If you decide to comment, I am sure that this should be through your own direct intervention with Mr Fraser; and preferably fairly soon. Action at a lower level could be regarded as evidence that the text had indeed been 'mauled by the bureaucracy'.

8. I am copying this minute to the Chancellor of the Exchequer, the Secretary of State for Trade, and to Sir R Armstrong.

*1.H.7.*

13 August 1981