



PM has seen.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

30 July 1981

T. Lankester, Esq.,
Private Secretary,
10, Downing Street

Dear Tim,

GLOBAL NEGOTIATIONS

In connection with his letter of 30 July to the Foreign Secretary the Chancellor thought that the Prime Minister would be interested to see the address by the Australian Prime Minister and telegram number 308 of 20 July, .. both attached.

underneath

*Yours ever
Peter*

P.S. JENKINS

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30 JUL 1961



Press Release

(EMBARGOED TO 1315 BST 27 July 1981)

"MELBOURNE - THE KEY ISSUES"

Address by the Australian Prime Minister,
the Rt Hon Malcolm Fraser, CH, MP, to the
Royal Commonwealth Society, London, on
27 July 1981

(Speech delivered in the absence of the
Prime Minister by the Australian High
Commissioner, the Hon R. V. Garland.)

The events of this week are a matter of warm interest and significance not only for Britain, but for Australia and for the Commonwealth. As I think you are aware, my Government attaches great importance to the Commonwealth. We do so principally not for reasons of sentiment, though they exist and are not negligible, but out of a sense of enlightened self-interest and a belief that the Commonwealth has much to contribute to world affairs.

In a few weeks time, Australia will be hosting the Commonwealth Heads of Government Meeting at Melbourne - it is about the issues which will arise on that occasion that I want to speak today. But before I turn to them, I would like to say a few words about the very happy occasion which has brought so many of the leaders of the Commonwealth together in London this week.

AUSTRALIANS IN GENERAL WILL JOIN ME IN CONGRATULATING HIS ROYAL HIGHNESS. WE TOOK HIM TO OUR HEARTS WHEN HE FIRST CAME TO SCHOOL AT TIMBERTOP IN 1966. HAPPILY HIS VISITS TO US SINCE HAVE BEEN FREQUENT. HE ASSURES US THAT HE ENJOYS AUSTRALIA AND WE LOOK FORWARD TO WELCOMING HIM AND HIS PRINCESS SOON, ALTHOUGH HIS NEW MARITAL STATUS WILL UNDOUBTEDLY MAKE LIFE HARDER FOR PHOTOGRAPHERS ON AUSTRALIAN BEACHES!

IT IS INDEED A HEALTHY SITUATION WHERE THERE IS, SO CLEARLY, MUCH RECIPROCAL WARMTH BETWEEN AUSTRALIANS AND THEIR FUTURE SOVEREIGN - AS INDEED THERE IS WITH THE PRESENT SOVEREIGN. IT IS HOWEVER ESPECIALLY IMPORTANT THIS WEEK TO REMEMBER THAT THE QUEEN IS NOT JUST QUEEN OF THIS COUNTRY AND OF AUSTRALIA, BUT ALSO HEAD OF THE COMMONWEALTH. THE CHANGES THAT HAVE PRODUCED THE MODERN COMMONWEALTH HAVE LARGELY OCCURRED DURING HER REIGN AND DURING THIS PERIOD OF CHANGE SHE HAS STOOD AS A SYMBOL OF CONTINUITY. BUT SHE HAS DONE MORE THAN THAT: SHE HAS BROUGHT WISDOM, CHARM, AND WITH THE PASSING OF TIME

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INCOMPARABLE EXPERIENCE TO HER ROLE. INDEED, THE QUEEN HAS SHOWN THAT THE INSTITUTION OF THE MONARCHY - ANCIENT AS IT IS - HAS A CAPACITY TO UNIFY PEOPLES AND NATIONS IN A WAY THAT IS UNIQUE IN THE MODERN WORLD. SHE HAS MADE THE MONARCHY AN EFFECTIVE AND VITAL SYMBOL OF COMMON HUMANITY AND SHARED VALUES THAT LINK THE PEOPLES OF THE MODERN COMMONWEALTH TOGETHER. NO COMMONWEALTH HEADS OF GOVERNMENT MEETING WOULD BE COMPLETE WITHOUT HER PRESENCE AND WE LOOK FORWARD VERY MUCH TO WELCOMING HER AT MELBOURNE.

MR PRESIDENT, THIS IS AN IMPORTANT YEAR FOR THE COMMONWEALTH. TWO YEARS AGO WE MET AT LUSAKA AND MADE A MAJOR CONTRIBUTION TO RESOLVING A DIFFICULT AND DANGEROUS PROBLEM, ONE THAT OTHERS HAD TRIED AND FAILED TO RESOLVE. AS A RESULT, ROBERT MUGABE WILL BE ATTENDING THE MELBOURNE MEETING THIS YEAR AS PRIME MINISTER OF ZIMBABWE.

IN RETROSPECT THE LUSAKA MEETING STANDS AS ONE OF THE COMMONWEALTH'S GREAT SUCCESSES. BUT IT IS WORTH RECALLING THAT BEFORE THE EVENT THERE WAS MUCH GLOOM AND DOOM AROUND. SOME EVEN PROPHESED THAT THE COMMONWEALTH WOULD BREAK ON THE ROCK OF THE ZIMBABWE PROBLEM. IMPLICIT IN MUCH OF THIS PESSIMISM WAS THE SUGGESTION THAT WE SHOULD DUCK THE ISSUE, THAT WE SHOULD NOT BE 'OVER AMBITIOUS' OR HAVE 'DELUSIONS OF GRANDEUR'.

WE DID NOT HEED THAT ADVICE. WE DID NOT DUCK THE ISSUE AND WE WERE AMBITIOUS. WE SET OUT DETERMINED TO MAKE A SERIOUS CONTRIBUTION AND WE MADE ONE. AS A RESULT THE COMMONWEALTH EMERGED IMMEASURABLY STRONGER, MORE CONFIDENT IN ITSELF AND WITH AN ENHANCED REPUTATION IN THE EYES OF OTHERS.

I REMIND YOU OF THIS NOT IN ORDER TO SCORE POINTS OVER CRITICS, BUT BECAUSE I BELIEVE THAT THE LUSAKA EXPERIENCE CONTAINS TWO IMPORTANT LESSONS FOR US ON THE EVE OF THE COMMONWEALTH'S NEXT MEETING AT MELBOURNE. THE FIRST IS THAT IF THE COMMONWEALTH IS TO THRIVE, IT HAS NO CHOICE BUT TO ENGAGE THE BIG ISSUES OF OUR TIME. WE, ITS MEMBERS, MUST NOT BEHAVE AS IF IT IS A SIDE-SHOW, RESTRICTING ITS EFFORTS TO PERIPHERAL MATTERS. IF WE BEHAVE AS A SIDE-SHOW WE WILL BE TREATED AS ONE.

THE SECOND, AND COMPLEMENTARY, LESSON I DRAW FROM LUSAKA IS THAT WE SHOULD NOT UNDER-ESTIMATE THE IMPORTANCE OF OUR OWN WILL AND DETERMINATION IN THINKING ABOUT WHAT THE COMMONWEALTH CAN OR CANNOT DO. THE SCOPE FOR COMMONWEALTH ACTION IS NOT PREDETERMINED AND FIXED BY SOME OBJECTIVE LAW. TO A VERY CONSIDERABLE EXTENT IT DEPENDS ON OUR OWN ATTITUDES AND COMMITMENTS. OF COURSE, THERE ARE OBJECTIVE LIMITS TO THE ROLE WE CAN PLAY, BUT WE SHOULD NOT ALLOW TIMIDITY OR EXAGGERATED MODESTY TO CIRCUMSCRIBE THAT ROLE UNNECESSARILY. INDEED, WE SHOULD BE ALERT TO ANY OPPORTUNITY TO EXPAND IT.

I MAKE THESE POINTS NOT ONLY BECAUSE I BELIEVE THAT THE COMMONWEALTH HAS A FUTURE, BUT BECAUSE THERE ARE URGENT ISSUES TO BE DEALT WITH AND IT IS IMPORTANT THAT EVERYONE WHO CAN CONTRIBUTE TO PROGRESS SHOULD DO SO. THE INTERNATIONAL COMMUNITY IS NOT SO WELL ENDOWED WITH EFFECTIVE INSTRUMENTALITIES THAT IT CAN AFFORD TO DO WITHOUT THE CONTRIBUTION THAT THE COMMONWEALTH IS CAPABLE OF PROVIDING.

THIS IS PARTICULARLY TRUE, I BELIEVE, WITH RESPECT TO NORTH-SOUTH ISSUES. PROGRESS ON THESE HAS BEEN LANGUISHING. OVER THE LAST YEAR, WHAT IS USUALLY DESCRIBED AS A DIALOGUE HAS AMOUNTED TO LITTLE MORE THAN ACRIMONIOUS MANOEUVERING FOR POSITION IN TERMS OF NARROWLY CONCEIVED SELF-INTEREST. WITH FEW EXCEPTIONS, THERE HAS BEEN AN ABSENCE OF HISTORICAL VISION, OF AN ENLIGHTENED AND FAR-SEEING SENSE OF SELF-INTEREST, OF POLITICAL WILL.

YET THE KIND OF WORLD WE AND OUR CHILDREN ARE GOING TO LIVE IN FOR THE REST OF THIS CENTURY AND BEYOND IS GOING TO DEPEND CRUCIALLY ON WHETHER THERE IS SUCCESS OR FAILURE IN THIS AREA. IT IS FOR THIS REASON THAT AUSTRALIA SETS SUCH STORE ON ACHIEVING PROGRESS IN RESTORING MOMENTUM TO THE PROCESS OF GLOBAL NEGOTIATIONS - A PROCESS THAT IS IMPORTANT BOTH IN ITS OWN RIGHT AND AS EVIDENCE OF A POSITIVE, CONSTRUCTIVE ATTITUDE TO RELATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES.

IN CONTEMPLATING NORTH-SOUTH RELATIONS, IT IS USUALLY THE ECONOMIC ASPECT WHICH IS STRESSED, AND THIS IS CERTAINLY VERY IMPORTANT. IF WE CONSIDER THE TWO LARGEST ECONOMIES OF THE INDUSTRIALISED NORTH, OVER 40 PERCENT OF THE UNITED STATES' OVERSEAS TRADE AND OVER 50 PERCENT OF JAPAN'S IS WITH THE SOUTH. IN THESE AND THE OTHER INDUSTRIALISED COUNTRIES, HUNDREDS OF THOUSANDS OF JOBS DEPEND ON THAT TRADE. MOREOVER, THE MOST RAPIDLY GROWING ECONOMIES OF THE WORLD - THOSE THAT PROVIDE THE GREATEST OPPORTUNITY FOR A RAPID INCREASE IN TRADE - ARE IN THE SOUTH. AS FAR AS THE DEVELOPING COUNTRIES ARE CONCERNED, OVER 70 PERCENT OF THEIR TRADE IS WITH THE NON-COMMUNIST INDUSTRIALISED COUNTRIES, AND THEY ARE ALSO VERY DEPENDENT ON THE CAPITAL, TECHNOLOGY AND MANAGERIAL SKILLS OF THE NORTH. CLEARLY ECONOMIC INTERDEPENDENCE IS NOT JUST A SLOGAN BUT A REALITY, AND THAT REALITY MEANS THAT A WORLD DIVIDED INTO RICH AND DESPERATELY POOR COUNTRIES CAN NEVER BE A STABLE, HARMONIOUS OR MORALLY ACCEPTABLE WORLD.

IF THE ECONOMIC ASPECT WAS ALL THAT WAS INVOLVED IT WOULD MAKE THE FUTURE OF NORTH-SOUTH RELATIONS A VITALLY IMPORTANT TOPIC. BUT IT IS NOT ALL THAT IS INVOLVED. INDEED, IN THE NOT SO LONG RUN THE POLITICAL AND STRATEGIC DIMENSIONS OF THE RELATIONSHIP MAY BE EVEN MORE IMPORTANT.

THE NORTH-SOUTH DIALOGUE IS REALLY ABOUT THE BUSINESS OF

ABSORBING OVER A HUNDRED NEW COUNTRIES, COUNTRIES WHICH HAVE COME INTO EXISTENCE WITH DRAMATIC SUDDENNESS, INTO THE INTERNATIONAL COMMUNITY. IT IS ABOUT ADJUSTING EXISTING PROCESSES AND INSTITUTIONS IN SUCH A WAY THAT WILL ACCOMMODATE THE LEGITIMATE NEEDS FOR STATUS AND INFLUENCE OF THESE COUNTRIES, AS WELL AS PROVIDE THEM WITH THE OPPORTUNITY TO FURTHER THEIR MATERIAL INTERESTS. IT IS ABOUT PREVENTING THE CREATION OF A PERMANENT AND DANGEROUSLY DISAFFECTED GROUP OF NATIONS WHICH FEELS THAT IT HAS NO STAKE IN THE EXISTING ORDER AND NO HOPE FOR THE FUTURE.

NOR CAN THE ISSUES BE DIVORCED FROM EAST-WEST TENSIONS. THE SOVIET UNION HAS A DISMAL AND SHAMEFUL RECORD IN PROVIDING DEVELOPMENT AID TO THE SOUTH, BUT STRATEGICALLY AND MILITARILY IT IS CONSTANTLY ACTIVE IN ATTEMPTING TO EXPLOIT FRUSTRATION AND INSTABILITY. SOMETIMES IT SUCCEEDS AND SOMETIMES IT FAILS. BUT SO MUCH IS AT STAKE FOR THE WEST TO BET ON A CONTINUING HIGH RATIO OF SOVIET FAILURE. GIVEN THE DISTRIBUTION OF THE WORLD'S OIL AND OTHER RESOURCES, AND GIVEN ALSO THE LOCATION OF MANY OF THE KEY STRATEGIC 'CHOKE-POINTS' IN THE WORLD, A PROCESS OF INCREMENTAL GAINS BY THE SOVIET UNION WOULD NOT HAVE TO GO VERY FAR BEFORE IT WOULD ALTER THE GLOBAL BALANCE. FROM MY OWN EXPERIENCE I AM CONFIDENT THAT MOST THIRD WORLD GOVERNMENTS REGARD THE SOVIET UNION AS AN UNPALATABLE LAST RESORT SO FAR AS ASSISTANCE IS CONCERNED. BUT I AM ALSO SURE THAT IF THE SITUATION APPEARS HOPELESS AND NOTHING ELSE IS FORTHCOMING, MANY OF THEM WILL TURN TO THAT LAST RESORT.

I KNOW THAT SOME THINK THAT THE NOTION OF A 'SOUTH' OR A 'THIRD WORLD' IS SPURIOUS. I BELIEVE THAT THEY ARE WRONG. DESPITE GREAT HETEROGENEITY AND INTERNAL CONFLICT THERE IS A REAL SENSE OF COMMON IDENTITY AND SOLIDARITY AMONG THESE COUNTRIES. WHILE A BILATERAL APPROACH TO MANY PROBLEMS IS SENSIBLE, AND INDEED INDISPENSABLE, IT IS A PROFOUND MISTAKE TO THINK THAT THE WHOLE QUESTION OF NORTH-SOUTH RELATIONS CAN BE DISSOLVED AWAY INTO A SERIES OF BILATERAL ISSUES.

AGAIN, I KNOW THAT SOME ARGUE THAT THE SOLUTION TO THE PROBLEMS OF THE SOUTH SHOULD BE LEFT TO THE OPERATION OF MARKET FORCES AND TO THE ADOPTION OF SOUND POLICIES BY THE DEVELOPING COUNTRIES THEMSELVES. I BELIEVE THAT THESE ARE HALF TRUTHS.

CERTAINLY, AS THE EXPERIENCE OF MANY OF AUSTRALIA'S NEIGHBOURS HAS DEMONSTRATED VERY CONVINCINGLY, THE MARKET CAN PROVIDE MANY DEVELOPING COUNTRIES WITH THE MEANS OF MAKING RAPID PROGRESS - ALWAYS ASSUMING THAT THE DEVELOPED COUNTRIES ALLOW MARKET FORCES TO OPERATE FAIRLY. CERTAINLY, TOO, SOUND DOMESTIC POLICIES ARE AN ESSENTIAL PRE-REQUISITE FOR PROGRESS IN ALL CASES. BUT WHAT IS ESSENTIAL IS NOT ALWAYS SUFFICIENT. QUITE CLEARLY, FOR MANY DEVELOPING COUNTRIES MORE IS NEEDED IF THEY ARE TO HOLD TOGETHER AS VIABLE SOCIAL AND POLITICAL UNITS - LET ALONE BREAK OUT OF THE CYCLE OF POVERTY IN

WHICH THEY ARE TRAPPED AND BECOME ACTIVE, CONTRIBUTING PARTNERS IN THE WORLD ECONOMY.

THE ARCAINE AND TECHNICAL CHARACTER WHICH NORTH-SOUTH DISCUSSIONS OFTEN ASSUME MUST NOT BE ALLOWED TO OBSCURE THE DRAMATIC NATURE OF WHAT IS AT STAKE IN THE NORTH-SOUTH DIALOGUE. WE ARE AT A GENUINE TURNING POINT IN MODERN HISTORY AND STATECRAFT OF A HIGH ORDER IS REQUIRED TO MEET THE CHALLENGE.

I BELIEVE THAT THE COMMONWEALTH IS CAPABLE OF MAKING A REAL CONTRIBUTION IN THIS RESPECT. AT A TIME WHEN THE WORLD IS GROPING FOR APPROPRIATE PROCESSES AND INSTITUTIONS TO MEET THE NEED FOR NORTH-SOUTH NEGOTIATIONS, THE COMMONWEALTH HAS THE ADVANTAGE OF BEING ALREADY IN PLACE. WE HAVE ALREADY MADE THE TRANSITION FROM A COLONIAL TO A POST-COLONIAL WORLD AND OUR HISTORY HAS ENABLED US TO LEARN MANY OF THE LESSONS OF NORTH-SOUTH DIALOGUE WELL IN ADVANCE OF MUCH OF THE REST OF THE WORLD.

COMPARISONS ARE USUALLY INVIDIOUS, BUT WHEN ONE COMPARES THE ATMOSPHERE AND PROCEDURE OF THE COMMONWEALTH WITH THOSE OF OTHER INTERNATIONAL ORGANISATIONS, WHEN ONE CONTEMPLATES THE FRIENDLY, INFORMAL AND UNPOLEMICAL WAY IN WHICH ITS AFFAIRS PROCEED, THAT OVER-WORKED WORD 'UNIQUE' DOES NOT SEEM INAPPROPRIATE.

WE SHALL BE MEETING IN MELBOURNE AT A TIME WHEN THE DIALOGUE HAS BEEN STALEMATED, BUT WHEN SOME SIGNIFICANT EFFORTS TO RESTORE MOMENTUM AND CREATE A MORE POSITIVE ATMOSPHERE ARE UNDER WAY. IT SEEMS TO ME THAT THE WORDS OF THE DECLARATION OF THE OTTAWA SUMMIT DO REPRESENT A COMMITMENT IN PRINCIPLE BY THE NATIONS CONCERNED TO PARTICIPATION IN GLOBAL NEGOTIATIONS, AND THAT IS A SIGNIFICANT STEP FORWARD. THE MEXICAN SUMMIT AT CANCUN, WHICH WILL FOLLOW IMMEDIATELY AFTER THE MELBOURNE MEETING, REPRESENTS ANOTHER IMPORTANT EFFORT TO RE-FOCUS ATTENTION ON NORTH-SOUTH ISSUES.

IN THESE CIRCUMSTANCES, AND ALWAYS BEARING IN MIND THE GRAVITY AND URGENCY OF THE ISSUES, I BELIEVE IT IS INCUMBENT UPON US TO TRANSLATE THE COMMONWEALTH'S CAPACITY INTO AN EFFECTIVE CONTRIBUTION. AS I SEE IT WE CAN DO THIS IN TWO WAYS. FIRST, WE CAN TAKE SUCH PRACTICAL STEPS AS ARE WITHIN OUR MEANS TO MAKE PROGRESS ON PARTICULAR PROBLEMS. IT IS TRUE THAT THERE ARE SOME AREAS WHERE PROGRESS DEPENDS ON ACTION BY THE VERY LARGE WESTERN ECONOMIES. BUT IT IS ALSO TRUE THAT EVERYTHING NEED NOT WAIT ON THEIR DECISION, THAT LIMITED BUT SIGNIFICANT STEPS CAN BE TAKEN BY OTHERS. IT IS NOT FOR ME TO PRE-EMPT THE DELIBERATIONS OF THE MELBOURNE CONFERENCE, BUT I HOPE THAT WE SHALL EXPLORE THE POSSIBILITIES IN THIS RESPECT IN A VIGOROUS AND POSITIVE SPIRIT AND THAT PRACTICAL MEASURES WILL RESULT.

SECONDLY, AND IN MY MIND OF LEAST EQUAL IMPORTANCE, I THINK THAT THE COUNTRIES GATHERED AT MELBOURNE - WHO WILL, AFTER ALL, REPRESENT

A QUARTER OF THE WORLD'S POPULATION - SHOULD FIND A WAY OF DECLARING IN THE CLEAREST AND MOST FORCEFUL TERMS THEIR CONVICTION AND DETERMINATION THAT IT IS IMPERATIVE THAT MOMENTUM BE RESTORED TO THE NORTH-SOUTH DIALOGUE. SOME WILL CALL THIS RHETORIC. LET THEM DO SO. THOSE WHO BELITTLE THE IMPORTANCE OF RHETORIC WHICH EMBODIES THE SERIOUS PURPOSE AND CONVICTION OF 40 COUNTRIES UNDERSTAND LITTLE OF POLITICS. THE GETTYSBURG ADDRESS WAS RHETORIC. SO WAS THE ATLANTIC CHARTER AND CHURCHILL'S WARTIME SPEECHES. IF WE FIND THE RIGHT WORDS AND IF THOSE WORDS ARE AN EXPRESSION OF REAL WILL, SUCH A DECLARATION WILL NOT BE WITHOUT EFFECT.

MR PRESIDENT, THERE ARE OTHER IMPORTANT ISSUES WHICH WILL BE DISCUSSED AT MELBOURNE. ONE OF THOSE WILL CERTAINLY BE THE FUTURE OF NAMIBIA. COMMONWEALTH GOVERNMENTS RECOGNISE THAT RESPONSIBILITY FOR NAMIBIA RESTS WITH THE UNITED NATIONS. IN RECENT YEARS, THE WESTERN MEMBERS OF THE SECURITY COUNCIL - THE MEMBERS OF THE CONTACT GROUPS - HAVE MADE A SUSTAINED EFFORT, BASED ON SECURITY COUNCIL RESOLUTION 435, TO BREAK THE DEADLOCK AND BRING NAMIBIA TO INDEPENDENCE AND FULL MEMBERSHIP OF THE INTERNATIONAL COMMUNITY. THAT RESOLUTION, WHICH REMAINS THE CORNERSTONE OF INTERNATIONAL EFFORTS TO RESOLVE THE CRISIS, HAS BEEN ACCEPTED BY ALL PARTIES TO THE DISPUTE. YET AFTER NEARLY THREE YEARS OF CLOSE CONSULTATION IT REMAINS ON THE DRAWING BOARD.

THE BLAME FOR THE DELAY IN THE IMPLEMENTATION OF THE UNITED NATIONS' PLAN LIES FAIRLY AND SQUARELY WITH THE SOUTH AFRICAN GOVERNMENT, WHICH HAS TEMPORISED AND PROCRASTINATED. I DO NOT CLAIM TO BE AN AUTHORITY ON ITS MOTIVES, BUT FEARS HAVE BEEN EXPRESSED THAT AN INDEPENDENT NAMIBIA WOULD COME UNDER DIRECT OR INDIRECT SOVIET INFLUENCE. IT IS VERY RELEVANT THEREFORE TO RECALL SIMILAR FEARS ABOUT ZIMBABWE BEFORE IT ACHIEVED ITS INDEPENDENCE, AND TO CONTRAST THEM WITH WHAT HAS ACTUALLY HAPPENED THERE SINCE. THE CLEAR EVIDENCE IN THE CASE OF ZIMBABWE AND ELSEWHERE IS THAT THE RAPID ACHIEVEMENT OF INDEPENDENCE, BY A PROCESS OF NEGOTIATION THAT FRUSTRATES THE INTRUSION OF SOVIET MILITARY FORCE INTO THE SITUATION, IS THE BEST WAY OF PREVENTING A COUNTRY COMING UNDER RUSSIAN INFLUENCE. CONVERSELY, THE LONGER THE DELAY AND THE MORE THE ISSUE IS ALLOWED TO FESTER, THE MORE LIKELY IT IS THAT THE SOVIET UNION WILL SUCCEED IN GAINING A PURCHASE ON THE SITUATION. I WOULD, THEREFORE, URGE THOSE COUNTRIES WHICH HAVE ANY INFLUENCE ON THE GOVERNMENT OF SOUTH AFRICA TO BRING HOME TO IT THAT ITS OWN SELF-INTERESTS WOULD BE BEST SERVED BY RAPID MOVEMENT.

I CERTAINLY HOPE THAT THE CONTACT GROUP WILL HAVE ACHIEVED SUCH MOVEMENT BETWEEN NOW AND OCTOBER. IF IT HAS NOT, HOWEVER, I THINK IT WILL BE APPROPRIATE FOR THE COMMONWEALTH TO MAKE CLEAR ITS WILLINGNESS TO OFFER WHAT ASSISTANCE IT CAN. THE COMMONWEALTH HAS, AFTER ALL, A CLEAR AND SUBSTANTIAL INTEREST IN THE OUTCOME. AN INDEPENDENT NAMIBIA WOULD BE ELIGIBLE FOR MEMBERSHIP OF THE

COMMONWEALTH AND WOULD BE WELCOMED AS SUCH. ALL THE AFRICAN STATES MOST CLOSELY INVOLVED, APART FROM SOUTH AFRICA ITSELF AND ANGOLA, ARE COMMONWEALTH MEMBERS. TWO OF THE MEMBERS OF THE CONTACT GROUP - THE UNITED KINGDOM AND CANADA - ARE ALSO COMMONWEALTH MEMBERS. GIVEN THESE CIRCUMSTANCES, AN OFFER TO HELP IN THE FACE OF CONTINUING STALEMATE COULD NOT BE CONSTRUED AS 'MEDDLING', BUT WOULD BE A CLEAR EXPRESSION OF LEGITIMATE INTEREST AND CONCERN.

LET ME NOW TURN TO SPORTING CONTACTS WITH SOUTH AFRICA. THE COMMONWEALTH'S COLLECTIVE ATTITUDE HAS BEEN CLEAR ON THIS QUESTION AND ITS ACTIONS OVER RECENT YEARS HAVE BEEN AMONG ITS GREATEST SUCCESSES.

IT IS IMPORTANT TO UNDERSTAND THE LOGIC OF THE COMMONWEALTH POSITION. OPPOSITION TO RACIAL OPPRESSION IS A FUNDAMENTAL COMMONWEALTH PRINCIPLE, EMBODIED CLEARLY IN THE DECLARATION OF COMMONWEALTH PRINCIPLES ADOPTED AT THE HEADS OF GOVERNMENT MEETING IN 1971. OPPOSITION TO APARTEID IN SOUTH AFRICA CLEARLY FOLLOWS FROM A COMMITMENT TO THAT PRINCIPLE. SPORT IS IMPORTANT TO SOUTH AFRICANS. BY DENYING THE OPPORTUNITY TO PARTICIPATE IN INTERNATIONAL SPORT, WE AFFECT THEM.

IT HAS THEREFORE PROPERLY BEEN A COMMONWEALTH AIM TO SEVER SPORTING LINKS WITH SOUTH AFRICA, AN AIM THAT WAS GIVEN EXPLICIT EXPRESSION IN THE GLENEAGLES DECLARATION AT THE COMMONWEALTH HEADS OF GOVERNMENT MEETING IN LONDON IN 1977.

IT IS AGAINST THIS BACKGROUND THAT THE CURRENT SPRINGS^{OK} TOUR OF NEW ZEALAND MUST BE SEEN. CONSISTENT WITH ITS ADHERENCE TO THE GLENEAGLES DECLARATION, THE GOVERNMENT OF NEW ZEALAND HAS EXPRESSED OPPOSITION TO THE TOUR. AS THE GOVERNMENT OF A COUNTRY WITH AN HONOURABLE RECORD ON RACE RELATIONS IT HAS MADE CLEAR ITS ABHORRENCE OF APARTHEID.

IN THE LIGHT OF THIS EPISODE, COMMONWEALTH HEADS OF GOVERNMENT CANNOT AVOID DISCUSSION OF THE SPIRIT AND INTERPRETATION OF GLENEAGLES AT MELBOURNE. THE ISSUE OF APARTHEID IN SPORT IS AN EMOTIVE ONE. BUT PRECISELY BECAUSE OF THIS, IT IS OF THE UTMOST IMPORTANCE THAT THE MATTER BE DISCUSSED DISPASSIONATELY WITH THE ULTIMATE OBJECTIVE KEPT CLEARLY IN MIND. THAT OBJECTIVE IS TO END THE VILE PRACTICE OF APARTHEID IN SOUTH AFRICA. IT IS AN OBJECTIVE WHICH WILL BEST BE SERVED BY PRESERVATION OF THE COMMONWEALTH'S GREAT ACHIEVEMENTS IN THIS AREA.

THE PRESENT TOUR IS NOT A SUCCESS FOR APARTHEID IN SPORT. ON THE CONTRARY IT SERVES MERELY TO EMPHASISE HOW UNTENABLE AND UNACCEPTABLE IT IS. THE ONLY WAY IN WHICH APARTHEID COULD BELATEDLY GAIN ANY BENEFIT FROM THE CURRENT SITUATION WOULD BE FOR THE TOUR TO RESULT IN A DAMAGING OF THE COMMONWEALTH, THE ORGANISATION WHICH IS

PERHAPS ITS MOST EFFECTIVE ENEMY. WE MUST NOT PLAY INTO ITS HANDS BY GIVING IT SUCH A VICTORY.

THE COMMONWEALTH HAS SHOWN IN THE PAST, WHEN POTENTIALLY DAMAGING ISSUES HAVE ARISEN THAT IT CAN ACT WITH DISCRETION AND COMMONSENSE IN WAYS THAT ENHANCE THE COMMONWEALTH RATHER THAN WEAKEN IT.

THE GLENEAGLES AGREEMENT ITSELF WAS A CONSENSUS STATEMENT OF VITAL COMMONWEALTH PRINCIPLES, DRAWN UP IN PRIVATE SESSION WITH A REAL FEELING OF CONCERN FOR THE SENSITIVITIES OF PARTICULAR COMMONWEALTH COUNTRIES. THERE IS NO REASON TO BELIEVE THAT THE COMMONWEALTH WILL NOT APPROACH THE CURRENT ISSUES WITH THE SAME DEGREE OF SENSITIVITY AND CONCERN - AND SO ENHANCE THE COMMON CAUSE OF MANKIND, TO WHICH WE ARE ALL COMMITTED.

MR PRESIDENT, A WEEK AFTER THE ROYAL WEDDING I SHALL BE LEAVING FOR VANUATU TO ATTEND THE ANNUAL SOUTH PACIFIC FORUM MEETING, THE THIRD THAT I WILL HAVE ATTENDED IN THE LAST FOUR YEARS. AUSTRALIA ATTACHES GREAT IMPORTANCE TO ITS NEAR NEIGHBOURS IN THE SOUTH WEST PACIFIC. MY GOVERNMENT HAS INCREASED AUSTRALIAN LINKS WITH THE REGION, AND AID TO IT, VERY SUBSTANTIALLY.

WE ARE PARTICULARLY PLEASED THAT ALL MEMBERS OF THE FORUM ARE ALSO MEMBERS OF THE COMMONWEALTH, AND THAT, IN THE FORM OF THE REGIONAL MEETINGS OF COMMONWEALTH HEADS OF GOVERNMENT THAT WERE INITIATED IN 1978, THERE NOW EXISTS AN ADDITIONAL FORUM IN WHICH THEY CAN MEET OTHER COMMONWEALTH COLLEAGUES AND DISCUSS THEIR PROBLEMS. IT IS EASY FOR LARGER AND MORE ESTABLISHED COUNTRIES TO FORGET THE PARTICULAR DIFFICULTIES FACING COUNTRIES WHICH ARE BOTH VERY SMALL AND VERY NEW. BUT I CAN ASSURE THEM THAT THEY WILL NOT BE FORGOTTEN IN MELBOURNE, AND I THINK THAT SPECIAL ATTENTION SHOULD BE GIVEN THERE TO THE PARTICULAR PROBLEMS OF THE ISOLATED ISLAND STATES.

MR PRESIDENT, FROM THE ISSUES I HAVE COVERED - AND I HAVE NOT ATTEMPTED TO BE EXHAUSTIVE - IT IS CLEAR THAT WE SHALL NOT BE SHORT ON IMPORTANT QUESTIONS TO DISCUSS IN OCTOBER. INDEED, I AM SURE THAT THERE WILL BE THOSE WHO WILL BE CONCERNED TO CAUTION THAT WE SHOULD NOT BITE OFF MORE THAN WE CAN CHEW, THAT WE MUST BE REALISTIC. WELL, I HAVE NO PROBLEM WITH A CALL FOR REALISM - AS LONG AS ITS SPIRITUAL HOME IS NOT THE LAST DITCH, AS LONG AS IT DOES NOT AMOUNT TO DISMISSING AS UNIMPORTANT WHAT CANNOT BE QUANTIFIED OR COSTED, AND AS LONG AS IT DOES NOT AMOUNT TO ANOTHER WAY OF SAYING, 'WHAT I HAVE, I HOLD'.

TRUE REALISM IS AS CONCERNED WITH INTANGIBLES AS WITH THE TANGIBLES - WITH THE ASPIRATIONS AND IDEALS OF PEOPLE AS WELL AS THEIR MATERIAL NEEDS, WITH WHAT IS CHANGING AND COMING INTO EXISTENCE AS WELL AS WHAT IS ESTABLISHED. IF THE TERM IS UNDERSTOOD IN THIS WAY THEN BY ALL MEANS LET US APPROACH MELBOURNE IN A SPIRIT OF

REALISM.

IN A TALK HE GAVE IN CANBERRA DURING HIS RECENT VISIT, SECRETARY GENERAL RAMPHAL OBSERVED THAT THIS NEW COMMONWEALTH WE HAVE ALL HELPED TO FASHION IS AT A HIGH POINT OF CONFIDENCE. HE SPOKE OF ITS POTENTIAL AS A PACE-SETTER OF A NEW, MODERN AND WHOLLY RESPECTABLE RELATIONSHIP., OF ITS SPECIAL RELEVANCE TO THE ERA OF NEGOTIATIONS WE HAVE NOW ENTERED. I ENDORSE HIS WORDS AND I HOPE AND BELIEVE THAT THE MELBOURNE MEETING WILL STRENGTHEN THAT CONFIDENCE STILL FURTHER AND WILL CONSOLIDATE THE COMMONWEALTH'S CLAIMS TO BE AN ORGANISATION WHICH IS NOT ONLY VALUABLE TO ITS MEMBERS, BUT WHICH HAS AN IMPORTANT CONTRIBUTION TO MAKE TO THE PROGRESS OF HUMAN SOCIETY AS A WHOLE.

MR PRESIDENT, IN CLOSING I SHOULD LIKE TO ACKNOWLEDGE A FACT THAT ALL TOO FREQUENTLY GOES UNACKNOWLEDGED: THAT IS THAT WHAT THE COMMONWEALTH IS TODAY, AND THE POTENTIAL IT HAS, OWES AN ENORMOUS AMOUNT TO BRITAIN. THIS IS TRUE BOTH IN THE SENSE THAT THE WISDOM OF THIS COUNTRY IN ADAPTING TO THE END OF THE AGE OF IMPERIALISM MADE THE SUCCESSFUL EVOLUTION OF THE COMMONWEALTH POSSIBLE AND IN THE SENSE THAT BRITAIN'S CONTRIBUTION TO THE CONTEMPORARY COMMONWEALTH IS INDISPENSIBLE. INDEED, YOUR ROLE IN WORLD POLITICS GENERALLY REMAINS A VERY IMPORTANT ONE, AND I TRUST THAT YOU WILL CONTINUE TO PLAY IT CONFIDENTLY AND ENERGETICALLY.

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TO PRIORITY FCO

TELEGRAM NUMBER 308 OF 20 JULY

NORTH/SOUTH AND CHOGM

1. BUSINESS REVIEW OF 18 JULY PUBLISHED FOLLOWING LEAKED TEXT OF A CONFIDENTIAL LETTER DATED 8 JUNE FROM JOHN STONE, SECRETARY TO THE TREASURY, TO PROFESSOR OWEN HARRIES, CONSULTANT ON FOREIGN AFFAIRS TO MR FRASER.

DEAR OWEN,

PRIME MINISTER'S SPEECH: THE THIRD WORLD AND THE WEST

I REFER TO YOUR REQUEST FOR COMMENTS ON THE DRAFT SPEECH TO BE DELIVERED BY THE PRIME MINISTER AT THE UNIVERSITY OF SOUTH CAROLINA IN JULY. YOU DID REQUEST THOSE COMMENTS BY CLOSE OF BUSINESS LAST FRIDAY BUT I FEAR THAT EVEN MORE PRESSING MATTERS THAN DRAFT PRIME MINISTERIAL SPEECHES PREVENTED ME FROM CONFORMING TO THAT TIMETABLE. I HOPE, HOWEVER, THAT THESE FEW COMMENTS -- ONE PRODUCT OF THE ALLEGEDLY HOLIDAY WEEKEND -- MAY STILL BE WORTHY OF YOUR PERUSAL.

DAVID ROBERTSON IS IN COURSE OF SENDING YOU SOME COMMENTS, WHICH I FULLY ENDORSE, ON YOUR DRAFT PAPER TITLED 'OBSTACLES IN THE NORTH-SOUTH NEGOTIATING PROCESS.' THOSE COMMENTS ARE EQUALLY RELEVANT IN THIS CONTEXT AND THERE SEEMS LITTLE POINT IN GOING OVER THAT GROUND YET AGAIN. I THEREFORE MERELY OFFER THE FOLLOWING BY WAY OF ADDITIONAL GENERAL COMMENT.

FIRST, I THINK YOU ARE MISTAKEN IN BELIEVING THAT IT IS "A BASIC ERROR" TO "ASSUME THE PRIMACY OF ECONOMIC RATIONALITY OVER POLITICS" (PAGE 8 OF THE DRAFT SPEECH) OR THAT ECONOMISTS TAKE A NARROW VIEW OF THE NORTH-SOUTH DIALOGUE (PAGE 2 OF YOUR "OBSTACLES" PAPER). I MAY SAY THAT YOU ARE NOT ALONE IN THOSE ERRORS: THEY ARE COMMON AMONG THOSE WHO DO NOT UNDERSTAND THE ECONOMIC ARGUMENTS AND WHO APPEAR TO BELIEVE THAT THERE IS SUCH A THING AS "GOOD POLITICS" WHICH CAN IF NECESSARY BE DIVORCED FROM "GOOD (OR RATIONAL) ECONOMICS." I CAN ONLY SAY THAT THE POLITICAL HISTORY OF THE WORLD, WHETHER IN THE NORTH OR SOUTH, IS LITTERED WITH THE CADAVERS OF GOVERNMENTS WHOSE LEADERS HAVE PRESUMED TO ACT ON THOSE ASSUMPTIONS.

IN MY VIEW HALF-BAKED PROPOSALS, BASED LARGELY ON POLITICAL CRITERIA AND WHICH DO NOT PAY DUE REGARD TO "ECONOMIC RATIONALITY," ARE MORE LIKELY TO ACCENTUATE THE PROBLEMS TO WHICH THE PRIME MINISTER PURPORTS TO BE ADDRESSING HIMSELF -- EXCEPT, PERHAPS, IN THE VERY SHORT-TERM CONTEXT OF APPEARING TO BE "SYMPATHETIC". FOR ONE THING, THE ADOPTION OF PROPOSALS THAT ARE NOT "ECONOMICALLY RATIONAL" MEANS BY DEFINITION THAT SCARCE RESOURCES ARE SQUANDERED. WHILE THE DIRECT IMPACT MIGHT FALL ONLY, OR PRIMARILY, ON THE NORTH, ULTIMATELY THE ADVERSE IMPACT -- AND THERE

/ WILK.

WILL CERTAINLY BE ONE - WILL ALSO FLOW THROUGH TO THE SOUTH. THE NET RESULT, RATHER THAN MEANINGFUL PROGRESS IN THE NORTH-SOUTH DIALOGUE IN ANY LASTING SENSE, IS MORE LIKELY TO BE INCREASED ECONOMIC INSTABILITY IN THE NORTH (WHICH IN TURN IS LIKELY TO LEAD TO EVEN MORE INWARD-LOOKING STRATEGIES), LITTLE IF ANY LASTING IMPROVEMENT IN THE POSITION OF THE SOUTH AND, MORE LIKELY THAN NOT, A PROLIFERATION IN THE MORE "HAIRY" DEMANDS EMANATING FROM THAT QUARTER.

WHERE WOULD THAT GET US? CERTAINLY THE POLITICAL TENSIONS ON WHICH THE SPEECH FOCUSSES WOULD NOT BE EASED. THE REVERSE IS MORE LIKELY.

SECONDLY, LIKE MOST OF THE MATERIAL THAT IS WRITTEN ON THE NORTH-SOUTH DIALOGUE, THE SPEECH SUFFERS FROM A LACK OF SUBSTANCE. THE APPEAL FOR "POLITICAL WILL" MEANS NOTHING UNTIL IT IS CONVERTED INTO REAL CHANGE IN THE DEVELOPMENT PROSPECTS OF THE DEVELOPING COUNTRIES. THAT IN TURN DEPENDS ULTIMATELY ON THEIR OWN DOMESTIC PTIMEVIVOINB. THE SPEECH OFFERS NOTHING ABOUT HOW THAT IS TO BE ACHIEVED. AT SOME STAGE, MOREOVER, SOME DEVELOPING COUNTRIES ARE GOING TO BE SO IMPOLITE AS TO ASK AUSTRALIA TO PUT ITS POLICIES WHERE ITS MOUTH IS. AT THAT TIME, UNLESS WE CAN SHOW CONSIDERABLY MORE "POLITICAL WILL" THAN HAS BEEN EVIDENT UNTIL NOW (FOR EXAMPLE, IN REGARD TO THE DISMANTLING OF OUR HIGH PROTECTION REGIME) THE AUSTRALIAN EMPEROR IS GOING TO APPEAR REMARKABLY UNCLOTHED. IN THIS CONTEXT I ALSO NOTE THAT, WHILE THE NORTH-SOUTH TASK FORCE WAS CONCERNED WITH IMPROVING AUSTRALIA'S OWN STANDING WITH DEVELOPING COUNTRIES, IT DID NOT COME UP WITH ANY SUBSTANTIVE PROPOSALS TO MEET NORTH-SOUTH DEMANDS GENERALLY. AS THE TASK FORCE RECOGNISED, SUCH INITIATIVES REST WITH THE MAJOR POWERS. WHILE, THEREFORE, ZUM, (OTCVVNG) ON OUR PART MAY BE EMOTIONALLY SATISFYING, IT IS NOT CLEAR TO ME THAT IT IS LIKELY TO BE MORE THAN THAT. MOREOVER, SUCH POSTURING IS NOT WITHOUT ITS COSTS IN A CONTEXT IN WHICH, IN OTHER FIELDS, WE WISH TO BE TAKEN SERIOUSLY.

ON A PRESENTATION POINT, I NOTE THAT THE DISAGGREGATED APPROACH TO NORTH-SOUTH ISSUES WHICH IS SO EXPLICITLY CRITICISED IN THE FIRST PARAGRAPH OF PAGE 4 OF THE SPEECH, ACCORDING TO RECENT STATEMENTS BY US SPOKESMEN (RASHISH, NAU, HORMATS), IS THE APPROACH EMERGING FROM THE REAGAN ADMINISTRATION. IT IS, OF COURSE, AN "ECONOMICALLY (AND, I BELIEVE, POLITICALLY) RATIONAL" APPROACH WITH WHICH I HAPPEN TO BE IN STRONG AGREEMENT.

BUT HOWEVER THAT MAY BE, DO YOU REALLY WANT TO HAVE THE AUSTRALIAN PRIME MINISTER PUBLICLY CRITICISING THE REAGAN ADMINISTRATION'S POLICIES, PARTICULARLY IN THE UNITED STATES - AND PARTICULARLY, IF I MAY SAY SO, ON SUCH WEAK GROUND IN DOING SO?

THAT WILL HAVE TO SERVE FOR NOW. AS YOU WILL SEE, I HAVE NOT PROVIDED DETAILED COMMENTS, IF ONLY BECAUSE I GATHER THAT THE DETAILED COMMENTS WHICH WERE PROVIDED ON THE LAST OCCASION

HAVE BEEN ENTIRELY IGNORED. I DO, HOWEVER, DRAW YOUR ATTENTION
THE YOUR REFERENCE (P5) TO THE HOLY ROMAN EMPIRE. MY
RECOLLECTION (THOUGH OF COURSE I MAY BE MISTAKEN) IS THAT BY THE
TIME THAT NEAT APHORISM WAS COINED THE HOLY ROMAN EMPIRE HAD IN
FACT LONG SINCE CEASED TO BE "A POTENT ACTOR IN EUROPEAN
POLITICS" (OR ANYTHING ELSE).

I AM SENDING COPIES OF THIS LETTER TO THE OTHER PERMANENT
HEADS FROM WHOM YOU REQUESTED COMMENTS, AS WELL AS TO GEOFF YEEND,
FOR INFORMATION.

YOURS SINCERELY,
J.O. STONE,
SECRETARY TO THE TREASURY.

2. ACCORDING TO TODAY'S PRESS STONE HAS DECLINED TO COMMENT ON
THE LETTER AND THE TREASURER MR HOWARD HAS CONFINED HIMSELF TO
OBSERVING THAT THE LETTER WAS IN RESPONSE TO A REQUEST FOR
COMMENT BY PROFESSOR HARRIES: IT WAS NORMAL FOR SUCH REQUESTS
TO BE MADE.

3. CUTTINGS, INCLUDING ADDITIONAL COMMENT, IN CLASSIFIED BAG
LEAVING HERE 21 JULY.

MASON

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