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TELEGRAM NUMBER 298 OF 15 JULY

MY TELNO 297 : AUSTRALIAN PRIME MINISTER : NORTH/SOUTH

1. MR FRASER OPENED OUR DISCUSSION ON THIS SUBJECT BY SAYING THAT HE HAD FOUND BOTH PRESIDENT REAGAN AND MR HAIG VERY MUCH LESS HARDNOSED, AND MORE SYMPATHETIC, IN THE MATTER OF FOREIGN AID THAN HE HAD EXPECTED. HE CONCLUDED THAT THEIR PUBLIC STANCE WAS AT LEAST IN PART TO CONCEAL THE FACT THAT THEY WERE SEEKING TO GET THROUGH CONGRESS A FORSCYRW ORYLE 18 PER CENT UP ON THE LAST VOTE.

2. MR FRASER THEN WENT ON TO SPEAK ON THE LINES OF HIS IDEALISTIC QUOTE NORTH/ SOUTH SPEECH IN SOUTH CAROLINA ON 8 JULY (COPY BY BAG). I HAVE TO REPORT THAT MR FRASER HAS IN RECENT MONTHS ACQUIRED AN ALMOST EVANGELISTIC FERVOUR ABOUT 3RD WORLD PROBLEMS; A FERVOUR WHICH HAS PUT HIM WELL AHEAD IN HIS VIEWS OF EVEN THE MOST AID-MINDED OFFICIALS IN CANBERRA; AND VERY FAR INDEED AHEAD OF THE AUSTRALIAN TREASURY WHOSE ONLY COMFORT FROM HIS NEW ATTITUDE IS, THEY SAY, THAT HE HAS NOT YET SHOWN SIGNS OF PUTTING HIS MONEY WHERE HIS MOUTH IS, EXCEPT FOR A SMALL INCREASE, IN REAL TERMS, IN THE FORTHCOMING BUDGET, IN AUSTRALIAN OVERSEAS AID.

3. MR FRASER SAID THAT HE HOPED TO CONVINCe THE PRIME MINISTER OF THE NEED, AT CHOGM, FIRMLY TO SUPPORT THE RESUMPTION OF GLOBAL NEGOTIATIONS. HE VERY MUCH HOPED THAT HE WOULD NOT FIND HIMSELF ON ONE SIDE, WITH THE UNITED KINGDOM AND NEW ZEALAND ON THE OTHER, WITH THE REST OF THE MEETING SUPPORTING HIM. HE WAS CONFIDENT THAT MR TRUDEAU WOULD FULLY SUPPORT HIM, AND INDEED THAT THE CANADIAN PRIME MINISTER WOULD SUCCEED IN EXTRACTING A COMMITMENT TO THE GLOBAL NEGOTIATIONS FROM PRESIDENT REAGAN.

4. I REPLIED THAT MR FRASER WOULD KNOW, FROM HIS FOREIGN MINISTER'S REPORT OF HIS CONVERSATIONS WITH THE PRIME MINISTER IN JUNE, THAT THE PRIME MINISTER WAS NOT ENAMOURED OF THE NORTH/SOUTH CLASSIFICATION, NOR OF GLOBAL NEGOTIATIONS. THE PRIME MINISTER BELIEVED IN A DIFFERENT APPROACH, AS SHE HAD EXPLAINED TO MR STREET. I ADDED THAT, SPEAKING PERSONALLY, I HAD BEEN INVOLVED IN 3RD WORLD NORTH/SOUTH MATTERS OVER 20 YEARS AND DOUBTED WHETHER MR FRASER'S APPROACH, AS EXEMPLIFIED IN HIS SOUTH CAROLINA SPEECH, WAS ESPECIALLY APPROPRIATE TO THE REAL NEEDS OF THE 3RD WORLD IN THE PRESENT DAY; IT REMINDED MR, IN FACT, OF THE ATMOSPHERE SURROUNDING THE 1975 CHOGM IN KINGSTON, AND TO THAT EXTENT OFFERED LITTLE NEW. UNDERSTANDABLY ENOUGH, MR FRASER REPLIED NO MORE THAN TO SAY THAT IF THAT WAS MY VIEW I WAS ENTITLED TO IT. HE ADDED, HOWEVER, THAT

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HE HOPED I WOULD REPORT HIS VIEWS QUOTE TACTFULLY UNQUOTE TO THE PRIME MINISTER. I ASSURED HIM THAT I WOULD DO MY DUTY IN THIS RESPECT.

5. WHILE WE MAY FIND MR FRASER'S VIEWS WOOLLY AND INDEED RATHER OLD FASHIONED, WE SHOULD NOT UNDERESTIMATE THE STRENGTH OF HIS ATTACHMENT TO THEM. IT WILL BE A MATTER FOR JUDGMENT HOW HE SHOULD BE ANSWERED WHEN HE EXPOUNDS THEM, AS I EXPECT HIM TO DO, NOT ONLY AT CHOGM, BUT ALSO TO THE PRIME MINISTER ON 27 JULY, IF HE IS GIVEN AN OPPORTUNITY. ONE OPTION WOULD BE TO RIDE WITH THE PUNCH, LETTING HIM HAVE HIS SAY WITHOUT COMMENT. ON THE OTHER HAND, MR FRASER IS A MAN WHOSE THINKING IS FORMED BY A PROCESS OF THESIS, ANTITHESIS AND SYNTHESIS. IF THE PRIME MINISTER WERE TO SPEAK TO HIM AS SHE DID TO MR STREET, THIS MIGHT HAVE A SALUTARY EFFECT IN BRINGING MR FRASER TOWARDS A CENTRE SYNTHESIS. BE THAT AS IT MAY, IT IS IMPORTANT IN MY JUDGMENT TO RECOGNISE THAT MR FRASER'S PRESENT FUNDAMENTALIST APPROACH TOWARDS NORTH/SOUTH PROBLEMS WILL BE AN IMPORTANT FACTOR IN HIS CONDUCT OF THE CHOGM, AND OF OUR ATTITUDE TOWARDS HIM AND IT.

MASON

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