



**DEPARTMENT OF
FOREIGN
AFFAIRS**

No

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COMMONWEALTH HEADS OF GOVERNMENT MEETING, OTTAWA

Attached is the text of the final communique issued at the conclusion of the Commonwealth Heads of Government Meeting, Ottawa, 2 - 10 August, 1973.

FINAL COMMUNIQUE

Commonwealth Heads of Government met in Ottawa from 2 - 10 August. All Commonwealth countries were represented, five by their Presidents or their Heads of State, eighteen by their Prime Ministers, three by their Vice-Presidents and six by senior Ministers. The Prime Minister of Canada was in the chair.

Heads of Government warmly welcomed the Prime Ministers of Bangladesh and the Commonwealth of the Bahamas whose countries have become members of the Commonwealth since the last meeting in 1971. They expressed gratitude to the Prime Minister of Canada for the hospitality provided by his Government.

On August 3rd the meeting was informed by the Prime Minister of Malaysia of the sudden death of the Deputy Prime Minister of Malaysia, Tun Dr Ismail Bin Dato Abdul Rahman, suspended its proceedings in tribute, and conveyed sincere condolences to the Government and people of Malaysia and to the bereaved family.

The meeting was positive in tone and constructive in its approach. Having agreed to new procedures designed to ensure informality and free discussion, the leaders put aside set-piece speeches and addressed themselves directly both to each other and to the pressing questions before the meeting. When unanimous agreement was not possible, mutual understanding of conflicting viewpoints was achieved. It was agreed that in this regard the meeting established a most useful precedent for future Commonwealth consultations. The Commonwealth had been greatly strengthened

by the event and Heads of Government were heartened by this.

Heads of Government were convinced that the association had once again demonstrated its vitality and flexibility. They intend to make maximum use of the Commonwealth machinery to put the principles of the Commonwealth Declaration into practice and to accelerate the pace of social and economic development among the less affluent members.

Statement on Nuclear Weapon Tests

Heads of Government issued a statement, on the occasion of the tenth anniversary of the signing of the treaty banning nuclear weapon tests in the atmosphere, in outer space, and under water.

World and Commonwealth Trends

In a frank and informal review of world trends Heads of Government examined changing power relationships and their political and economic consequences with particular reference to Commonwealth countries. Views were exchanged on: changing relationships among the United States, the Soviet Union and China; problems of security in various regions; the emergence of new centres of economic power; the continued atmospheric testing of nuclear weapons, and the need for a comprehensive test ban treaty and for general and complete disarmament under effective international control; the situation in the Middle East and South East Asia; the establishment of a peace zone in the Indian Ocean; and the situation in Southern Africa with particular reference to Rhodesia.

While welcoming the general relaxation in international tension, they nevertheless noted those areas of tension which continue to threaten international peace and security as well as the widening gap between the rich and poor nations and recognised the need for the spirit of detente in all international relations. Acknowledging the potential for progressive change arising from shifting power relations Heads of Government recognised that economic and monetary instability continue to pose urgent problems for the world's community. As the search for solutions to these political and economic problems was pursued in the context of the changing power relationships new opportunities arose for states other than the major powers to influence world developments, to contribute to the achievement of peace and security, to ensure the avoidance of spheres of influence and to secure a regime of social justice, economic progress and racial harmony throughout an increasingly interdependent world.

Consultation and co-operation in the Commonwealth, an informal worldwide association, which included no super power, could make a special contribution to greater international understanding as well as to the search for solutions to economic problems. Heads of Government, therefore, stressed the value of strengthening practical co-operation between member countries, both internationally and on a regional basis, and working within other international organisations and groupings in order to give the medium and small countries a more effective voice in international relations to raise living standards and to improve the quality of life for all their peoples.

Heads of Government noted the progress made with regard to the proposal for a peace zone in the Indian Ocean since the last conference in Singapore, where they agreed on the desirability of ensuring that it remains an area of peace and stability. They noted that the proposal was under study by an ad hoc committee which had been established by the United Nations and they expressed the hope that its deliberations would receive the support and co-operation of all states concerned.

The Heads of Government were greatly concerned about the deteriorating situation in the Middle East which now presents a most serious threat to world peace. The deterioration was directly attributable to the lack of progress in the implementation of the Security Council Resolution 242 of 1967. They considered that ways and means should now be urgently sought by all states to give substance to the Security Council Resolution.

Heads of Government also noted that since the last conference in Singapore, the Foreign Ministers of the countries of the Association of South East Asian Nations (ASEAN) have adopted a declaration to make South East Asia a zone of peace, freedom and neutrality. They regarded this initiative as a positive contribution towards peace and stability in that region.

Trade

Heads of Government had a wide-ranging and substantive discussion on economic issues against the background of wide-spread inflation. Particular attention was devoted to problems of international trade. Heads of Government considered the prospects

for the implementation of the generalised system of preferences by all the developed countries, and for improvements where schemes had already been introduced or were due to be harmonised. They hoped that the forthcoming multilateral trade negotiations under the auspices of GATT would secure world-wide expansion of trade and take particular account of the needs of developing countries.

Heads of Government exchanged views on the prospects for the forthcoming negotiations between the enlarged European Economic Community and the developing countries of Africa, the Caribbean, and the Pacific, and expressed the hope that they would lead to the conclusion of just, enlightened, and effective arrangements. The developing Commonwealth countries reiterated their previously expressed views that the notion of reciprocity could not be a basis for equitable and enduring relations between them and the EEC. In the case of the countries to which the joint declaration of intent in the Treaty of Enlargement applies, it was urged that the community should take a positive attitude to approaches that have already been made or might be made, and work out suitable arrangements taking their trade interests into account before the common external tariff is applied to British imports from them in accordance with that treaty.

It was recognised that the system of Commonwealth preferences has provided and continues to provide important advantages for Commonwealth countries, and the hope was expressed that the existing favourable arrangements for developing Commonwealth countries in markets of developed Commonwealth countries other than Britain should wherever possible be maintained.

Heads of Government considered the special problems of countries highly dependent on exports of agricultural products in primary, semi-processed, and processed forms, and noted the desirability of achieving substantial liberalization of trade in these products in the course of the forthcoming GATT multilateral negotiations. They underlined the urgent need for deliberate measure to be taken by the international community to secure equitable and remunerative returns for such products. To this end, they considered it essential that new international commodity arrangements be devised which would deal with this serious problem and protect the foreign exchange earnings of developing countries against excessive price fluctuations and inroads from synthetics, thereby increasing their capacity to buy needed imports. There was need also to increase the export earnings of developing countries from primary products, especially agricultural products, as prices of industrial goods continue to rise; and to study methods to introduce a realistic relationship between the prices of the two categories of goods. Commonwealth countries should play an active role in the search for new international commodity arrangements. It was felt that it was equally necessary to explore measures to minimise fluctuations in the prices of mineral products.

Monetary Issues

Heads of Government reviewed the work of the Committee of Twenty and recognized the urgent need to work towards the achievement as quickly as possible of a new and stable international monetary order, which would take into account the special concerns of developing countries, particularly as regards the creation of a link between special drawing rights and development finance.

Development Assistance

The meeting examined various aspects of development assistance, including the disadvantages of tied aid, the need for a more flexible approach by aid donors and the importance of achieving mutually satisfactory relationships between the donors and recipients of aid, as well as measures for reducing the onerous debt burdens of developing countries.

Private Foreign Investment

Heads of Government had a lively discussion of the problems and opportunities involved in private foreign investment. Special reference was made to the role of multi-national corporations in a number of Commonwealth countries. Views were exchanged on possible techniques for ensuring that the operations of investing companies are compatible with the national goals of host countries, on the possibility of promoting the exchange of information on this subject among Commonwealth countries, and on the desirability of drawing up a code of conduct for international corporations.

International Transport

Heads of Government exchanged views on a number of important aspects of international transport problems and their implications, including rising freight rates, dependence on foreign-owned shipping, and conflicts of interest created by differences in labour costs and trade union action among member countries.

Food Shortages

Heads of Government expressed their concern at the growing shortages and rising prices of food and their hope that these problems might be considered without undue delay in appropriate international forums such as the Food and Agriculture Organization of the United Nations.

It was noted that the facilities of the Commonwealth Secretariat were available to examine a number of subjects mentioned in paragraphs 13 to 22. Such an examination might provide the basis for further action by Commonwealth countries.

Southern Africa

Heads of Government had a full and frank exchange of views on changes and developments in Southern Africa. The meeting also gave special consideration to the problems faced by countries in Southern Africa which border on territories and countries still under minority rule. While recognising that there were complex and difficult problems involved, Heads of Government were agreed in their opposition to apartheid and minority rule in Southern Africa. They therefore recognised the legitimacy of the struggle to win full human rights and self-determination.

In discussing conditions in South Africa, Namibia and the Portuguese colonies, it was agreed that Commonwealth members in a position to do so should seek to use their influence to persuade Portugal to grant a negotiated independence to its African colonies. The advisory opinion of the International Court of Justice and Security Council Resolutions on Namibia

were recalled and emphasis placed on international responsibility for that territory. There was discussion on how Commonwealth countries, especially those with economic interests in South Africa and Namibia, might best bring influence to bear to promote change. Heads of Government reviewed the efforts of the indigenous people of the territories in Southern Africa to achieve self-determination and independence and agreed on the need to give every humanitarian assistance to all those engaged in such efforts. The British Government reserved its position in relation to the last proposal in circumstances in which assistance might be converted into military purposes.

Heads of Government expressed their intense concern for the situation in Rhodesia and the damaging consequences of a continued absence of a settlement. They appreciated the efforts made by the British Government with whom the responsibility lay and were united in their willingness to contribute towards a solution. All were agreed on seeking a peaceful settlement and that the objective was majority rule. They took note of the meeting between Ian Smith and Bishop Muzorewa and associated themselves with the British Government's wish for the discussions to be broadened and the necessary steps taken to remove restrictions so as to enable all groups representative of Rhodesian opinion to take part. The British Prime Minister welcomed the constructive suggestions made and undertook to take them into account as the situation developed.

Heads of Government considered the report of the Commonwealth Sanctions Committee and authorised the Committee to continue its work. It was agreed that in the light of the recommendations contained in that report further efforts should

be made to render sanctions more effective pending an acceptable settlement. Heads of Government also took note of the development of the Special Commonwealth Programme for assisting the education of Rhodesian Africans and supported its continuation. The Zambian Foreign Minister expressed his Government's appreciation of Commonwealth assistance to Zambia.

Heads of Government welcomed the opportunity to exchange views on comparative techniques of Government. They had a lively and useful discussion which included consideration of such subjects as: the determination of national priorities; the problem of ensuring effective implementation of Government decisions; fostering communication between Government and people; the redress of economic disparities; and the problem of correcting economic imbalances as between urban and rural areas. Heads of Government agreed that the question of comparative techniques of Government should be the subject of further discussion at future Heads' of Government meetings and that, in the interim the Commonwealth Secretariat should undertake appropriate preliminary studies to facilitate such discussion.

Commonwealth Functional Co-operation

Heads of Government agreed that functional co-operation was an important and dynamic aspect of the Commonwealth. They expressed warm appreciation of the way in which the Commonwealth Fund for Technical Co-operation (CFTC) was developing in meeting the priority needs of member countries, and commented favourably on its flexibility and speedy response. They agreed that activities undertaken through the fund should be intensified and commended for further study various proposals for their extension.

Heads of Government noted with appreciation the generous contributions being made by several governments, and especially by Canada, and hoped that further contributions on a voluntary basis would be provided by other participating countries.

Heads of Government noted the Secretary-General's proposal for a target of between one per cent and two per cent of total Commonwealth aid flows through Commonwealth multi-lateral channels. They agreed that further consideration should be given at the next Finance Ministers Meeting to the means by which an increased flow could be brought about.

Heads of Government agreed to refer the proposal for the establishment of a Commonwealth Development Bank and a report on export credit financing in Commonwealth developing countries to Commonwealth Finance Ministers for consideration.

Heads of Government gave preliminary consideration to a proposal for a Commonwealth Centre for Applied Studies in Government and agreed that the detailed requirements for such a centre should be studied and a report prepared for consideration, if possible, by senior Commonwealth officials in 1974.

Commonwealth Youth Programme

Heads of Government endorsed the Commonwealth Youth Programme which was approved by Ministers concerned with youth matters. They agreed that the scope of the programme should take into account the particular needs of individual countries and

expressed warm appreciation of the pledges which had been made towards the agreed target of one million pounds over three years. Heads of Government instructed the Secretary-General to proceed with the immediate implementation of the agreed programme.

Commonwealth Foundation

Heads of Government agreed that the budget of the Commonwealth Foundation be increased to £450,000 per annum for the period 1 July 1974 to 30 June 1976.

Commonwealth Parliamentary Association

Heads of Government noted with appreciation the contribution by the Commonwealth Parliamentary Association in promoting contacts between Members of Parliament of Commonwealth countries at annual conferences, and providing a forum for them to exchange views and discuss matters of common interest at regional and international levels thereby furthering Commonwealth ideals and interests.

Report of the Commonwealth Secretary-General

Heads of Government took note of the fourth report of the Commonwealth Secretary-General.