



PRIME MINISTER

FOR MEDIA

THURSDAY, 23 AUGUST 1979

STATEMENT TO PARLIAMENT ON LUSAKA CHOGM

I seek leave to report to this House on the Commonwealth Heads of Government Meeting held in Lusaka from 1 August to 7 August.

There can be no legitimate doubt in anyone's mind that this was a critical conference in the history of the Commonwealth. The way things turned out should not cause us to forget that. Before the event responsible and reasonable people were expressing serious concern as to whether the Commonwealth would survive the conference. There was talk of a break-up. This was not altogether idle talk. Had the conference gone badly, the institution would have been seriously maimed and could have been destroyed. As it happened the conference did not go badly, it went extremely well, and far from breaking up, the Commonwealth has emerged a stronger, more vital and more cohesive body.

No-one who has followed events in Lusaka - and certainly no-one who was present there - can doubt that the Commonwealth is an institution which has relevance, and a distinctive function to perform, in the contemporary world.

It has sometimes been asserted and even oftener been implied that this is a romantic and exaggerated view, that the Commonwealth is merely the ghost of a vanished empire, a talking-shop, a dealer in myths and illusions. I believe it is now clear that it is those who hold this view who are the real romantics - pessimistic romantics who refuse to come to terms with a changing world and the changing forms of influence and power.

The old Commonwealth could never have achieved what was achieved at Lusaka. For at this conference, the Commonwealth took on one of the most serious and sensitive issues in international affairs today, an issue which has resisted prolonged efforts made by major powers, acting alone, to find a solution.

In a matter of days, real and substantial progress was made. It seems perverse, therefore, to persist in the defeatist and negative view that this institution does not have the potential for a continuing valuable and constructive role in world affairs.

The issue I refer to is, of course, the future of Zimbabwe. As anticipated, this issue was inevitably the central preoccupation of the conference. It was approached with a minimum of polemics, and with a determination to find a fair settlement acceptable to all parties.

In my response to President Kaunda's opening speech on the first day I appealed, as I have done on previous occasions, for a spirit of principled moderation and compromise which would make it possible to bridge different positions. In the event that spirit turned out to be the distinguishing mark of the conference. It was the spirit of Lusaka.

That it was so was due, in particular, to the attitude of three of the participants: our host President Kaunda; President Nyerere of Tanzania; and the British Prime Minister, Mrs. Thatcher.

I would like to take this opportunity to express my personal admiration for the courage and vision of these three leaders. In a situation where there were pressures on each to be intransigent, to ask others to yield while remaining inflexible themselves, all three rejected that path and chose the one leading to genuine accommodation. It is greatly to their credit and represented statesmanship of a high order.

The British Prime Minister, for her part, reaffirmed the unqualified commitment of her Government to the goal of genuine black majority rule in Rhodesia. Much more importantly, in her speech of 3 August, she recognised the validity of the criticisms made of the present constitution, of the blocking powers enjoyed by the white minority, and of the power vested in the various Service Commissions, which together make it impossible for the Government of Bishop Muzorewa to have adequate control over the country's affairs.

So long as these criticisms could be made of the Constitution one could not assert that genuine black majority rule exists in Rhodesia. Such powers, which have not been included in any constitution resulting from a legal transference of power by Britain, deny Government powers which are fundamental to a democracy - or indeed to any responsible Government. A Government which cannot control appointments in key areas, or the activities of its armed forces, is not master of its own house.

Mrs. Thatcher also accepted the responsibility of the British Government to bring the country to legal independence on a basis which the Commonwealth and the international community as a whole will find acceptable. She undertook to present proposals as quickly as possible to all the parties.

The leaders of the front line states showed an equally admirable willingness to approach the issue constructively. In his speech on the Zimbabwe debate, President Nyerere recognised that an advance had been made in recent months.

While rejecting the validity of existing constitutional arrangements which allow a white minority to control the levers of power, he accepted that a democratic constitution was not incompatible with special provisions for the white minority in the form of reserved seats "even out of proportion to the numbers involved". He recognised that a cease-fire was a precondition for free and fair elections.

Beyond this, President Kaunda and President Nyerere showed a restraint and patience, and a confidence in the British Government which were an essential element in creating the trust necessary for agreement and progress. They were not in the business of confrontation and point-scoring.

Let me say something about the part Australia played in the negotiation of the Zimbabwe issue. In the period leading up to the conference and during it, we had extensive contacts - both directly and by letter - with the principal parties. Shortly before the conference I had talks with Mrs. Thatcher here in Canberra, and immediately before going to Lusaka I visited Nigeria - a key African state - to talk with General Obasanjo, the leader of the Federal military government.

The Foreign Minister had separate talks with the British and with representatives of the Muzorewa Government and subsequently with leaders of the Tanzanian and Kenyan Governments.

During the conference of course, we had extensive discussions with all the parties present and the Patriotic Front.

In all these talks we expressed the view that, whatever else, the April elections had broken a log-jam and created conditions for movement. We maintained that further constitutional changes in the direction of greater Africanisation were essential.

We emphasised that a precondition for a successful settlement was that it should be acceptable to a significant number of African states. We stressed the need to bring the war to an end.

The invitation to give the first response to President Kaunda's opening address gave me the opportunity to put Australia's views to the conference very early. I stressed the need to bear in mind the positive elements of agreement which existed among those present, the fact that we essentially agreed on ends and differed only on means.

I stressed also that recent events had created an opportunity for advance by introducing a new element of flexibility and movement. And, as I have said, I made as strong a plea as I could for moderation and compromise.

During the weekend of 4-5 August, and following the opening of the debate on the Rhodesia issue on Friday, 3 August, a small consulting group of six Heads of Government was set up to try to reach an agreement.

Australia was a member of that group. The group reached agreement and drew up a communique on Southern Africa, which was subsequently accepted by other Heads of Government. The communique made nine points: The Heads of Government

- confirmed that they were wholly committed to genuine black majority rule for the people of Zimbabwe;
- recognised, in this context, that the internal settlement constitution is defective in certain important aspects;
- fully accepted that it is the Constitutional responsibility of the British Government to grant legal independence to Zimbabwe on the basis of majority rule;
- recognised that the search for a lasting settlement must involve all parties to the conflict;
- were deeply conscious of the urgent need to achieve such a settlement and bring peace to the people of Zimbabwe and their neighbours;
- accepted that independence on the basis of majority rule requires the adoption of a democratic constitution including appropriate safeguards for minorities;
- acknowledged that the government formed under such an independence constitution must be chosen through free and fair elections, properly supervised under British Government authority, and with Commonwealth observers;
- welcomed the British Government's indication that an appropriate procedure for advancing towards these objectives would be for them to call a Constitutional conference to which all parties would be invited; and
- consequently, accepted that it must be a major objective to bring about a cessation of hostilities, and an end to sanctions as part of the process of implementation of a lasting settlement.

These nine points do not amount to a settlement of the Zimbabwe situation. Neither the Muzorewa government nor the Patriotic Front - ZANU and ZAPU - were parties to the discussion, and a settlement will require their agreement.

Much hard work and delicate negotiating remains to be done. But the significance of what has been achieved is enormous. To appreciate this it is necessary to contemplate what the position would now be, had there been a failure to reach agreement. Both Southern Africa and the Commonwealth would be facing bleak prospects. The momentum for change would have been lost.

As it is, a very formidable and diverse body of opinion has been mobilised and unified, in favour of a particular process of settlement. Given its nature, that body of opinion will require a serious response both from Salisbury and from the Patriotic Front.

Before the conference, the opinion prevailed in each of these centres that time was on their side, that they could afford to wait and to resist change. It will be difficult for them to maintain that view now. It is very important that, for the first time in many years the initiative has been seized by the forces of moderation and peaceful settlement, and that has been done within the framework of the Commonwealth, that often derided institution which continues to confound its critics by proving its relevance.

The settlement process that is envisaged can bring peace and allow Zimbabwe to take its place in the community of nations. It allows for genuine majority rule, for a return to legality, for protection of the white minority, and for the ending of war and sanctions. If achieved, it will be acceptable to leading African states, it will remove a festering sore which has threatened to infect Southern Africa with both the poison of racial war and great power conflict.

There is no guarantee that these things will happen, that the process will succeed. But I believe that there are reasonable prospects for success. I believe this for two reasons, first because the terms of settlement it envisages are essentially right in themselves in that they are based on the principles that the people of Zimbabwe - all the people - have the right to choose who shall govern them, and that the government so elected should have real control over the affairs of the country. Secondly, I believe the chances of success are good because such a settlement is in the rational self interest of the parties concerned. It is the only way in which the suffering and bloodshed endured by the people of Zimbabwe can be ended.

If the settlement does not succeed, the prospect is for an intensification of the war, a greater resort to Communist arms, and greater turmoil for the whole of Southern Africa.

As far as the white community of that country is concerned, it can hope for a stable and peaceful existence, only as part of a genuine multi-racial society. Continuing warfare will lead to its disintegration and exodus. The Patriotic Front can only hope to participate in the governing of the country on the basis of such a settlement.

The Front-line states have an interest in ending the state of war which forces them to accept sacrifices and threatens to involve them directly in other people's conflicts. Britain has an interest in ending a situation which has perhaps caused it more international embarrassment than any other over the last decade.

The international community at large can only benefit from removing a potential source of conflagration and great power rivalry. Australia, as a member of the international community shares this concern for peace and stability in Southern Africa, and, as a member of the Commonwealth, we have a concern with preserving its integrity, and with the Commonwealth proving itself as a constructive and relevant institution.

The Lusaka conference has set a process in train. What other international body could have achieved this? It is our sincere hope that the process is continued to a successful conclusion.

If the Rhodesia issue occupied the centre of the stage at the conference, it certainly did not monopolise attention. A good deal else was done besides, and for the information of Honourable Members, I table the final communique.

One of the major initiatives was in the economic field, where Australia proposed a Commonwealth group of experts to make a comprehensive study of factors restraining growth. We put the proposal forward in the context of the historic changes that have moulded the world's economy over the past few decades.

In the quarter century after the Second World War the world experienced a period of unprecedented economic growth. The Great Depression, followed by the war, had created a huge pent-up demand for consumer goods. That, together with the Marshall Plan, the widespread adoption of Keynesian policies and the rapid introduction of new technology, led to a sustained upsurge in economic growth and real income in the developing countries as well as in the industrialised world.

In those years, the material conditions of the mass of people in Western societies was transformed. But the very success of that process meant that by the mid-1960's conditions were changing and by the early 1970's the consumer boom was clearly running down.

At the same time, there emerged increasing impediments to enterprise and investment. High inflation was becoming built into the major economies; further moves to protection were building greater restraints to trade. Governments conditioned to believing that Keynesian policies were the answer to all problems stubbornly continued to pursue those policies, despite the onset of inflation, encouraged by electorates increasingly accustomed to believing that governments could provide for all needs.

The extraordinary growth of the period came to be taken for granted. Increasingly, unrealistic demands were made on world economies, particularly by trade union movements which came to exercise unprecedented power, and it became fashionable to decry growth and to place impediments in its path.

An increasingly formidable system of statutory road blocks were placed in the way of development and investment. Very demanding environmental laws, harsh trade practices legislation, prices justification regulations, and the development and investment policies pursued by many countries have acted as impediments to economic growth. Many investment opportunities which had been highly attractive twenty years ago now became uneconomic.

The result of all this is that in recent years the growth in world trade has fallen to half of what it was in previous decades, from eight percent to four percent. A further constraint to growth is slow rates of development in a number of developing countries.

Australia's experience with the newly industrialising countries has shown us that as soon as they take-off economically, trade both ways grows very rapidly. During the 1970's, however, instead of accepting the challenge and opportunity of greater trade with newly industrialising countries, many major developed nations became fearful and turned to greater protectionism.

We see examples of this in the \$25 billion spent by Western industrial countries on wage and export subsidies, the use of voluntary restraint agreements and the contemplation of selective safeguards. This is not only selfish and wrong, but foolish and short sighted economics, for the growth of markets in developing countries could well be one of the keys to reducing the rate of unemployment being experienced by Western developed nations in the last quarter of the twentieth century.

It is clear that the conditions which generated and fuelled the great surge of growth in the last quarter century have now largely disappeared, and recent assessments by international organisations for the medium term outlook are for a continuation of slow growth or even a further deterioration in growth prospects.

At Lusaka, Heads of Government recognised that a continuation of slow growth in the global economy would further damage the prospects of increasing living standards in both developed and developing countries, and could have adverse effects in their political and social structures.

They agreed that there would be considerable advantage in a study by independent Commonwealth experts that focusses on the constraints to economic growth and structural change in developed and developing nations, and identifies specific measures necessary to reduce these constraints.

The group is to report in time to assist Commonwealth governments in their preparation for the special session of the U.N. General Assembly in 1980, and the Government has indicated to the Commonwealth Secretary-General that a prominent Australian academic economist is expected to be available to serve on the group.

I believe that Australia has already set an example in some areas of the way that constraints on growth can be broken down. We have reduced inflation, and we will maintain our strong anti-inflationary policy. We have increased company profitability, improved Australia's competitive position, and strengthened the dollar. Under our foreign investment policy administered by the Foreign Investment Review Board, last year's private foreign investment was the highest since 1971-72, and in the June quarter, \$1.4 billion prospective expenditure was approved.

All these help to reduce the impediments to our national development, but there are many other barriers to growth within the global economy. I hope that the report will address itself to these constraints and recommend practical policies that can be pursued in order to promote growth of the world economy.

The discussion of the Australian economic initiative again made it clear. Heads of Government realised that in confronting the problems we face, we need a fusion of realism, imagination and boldness, and a willingness to listen and understand one another.

The eyes of the world were on the Commonwealth at Lusaka. It faced a harsh test. It passed that test and in doing so proved that it has the capacity to make a major contribution in international affairs through the rest of this century.

One of the results of what happened in Lusaka is that the members of the Commonwealth will share a new confidence and assurance of what we can collectively achieve, and I am sure that Australians will warmly welcome the fact that the next Commonwealth Heads of Government conference will be held in this country.

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