



PRIME MINISTER

WEDNESDAY, JULY 8, 1981

SPEECH TO UNIVERSITY OF SOUTH CAROLINA COLUMBIA

You have asked me here today as the Prime Minister of Australia. Had I the time and you the patience, there are many aspects of my country that I could enlarge upon: Australia's role as a significant, independent-minded middle power; Australia as a leading member of what people are starting to think of as the Pacific community, a region which contains the most rapidly growing economies in the world; Australia as an ally of the United States, (and, incidentally, one of only two countries which have fought alongside America in four major wars in this century); Australia as the world's leading exporter, or very near to it, of a range of important minerals - iron ore, coal, alumina, mineral sands, lead, zinc and several others; Australia as, along with the United States and Canada, one of the world's major efficient producers and exporters of food.

But it is another aspect of Australia that I particularly want to draw your attention to today, for it is pertinent to my theme. Along with New Zealand, Australia is the only stable democratic, liberal, Western society in the Southern hemisphere. While we are thoroughly Western in our values and institutions, all our neighbours are Third World countries. They belong to the "South" in terms of the "North-South" dichotomy that is now widely used, while by almost every test except geography we belong to the "North". Living near to these countries - and, I might add, associated closely with many more of them through the Commonwealth - we are of necessity very much aware of their perspectives and problems, more so perhaps than other developed countries of the Northern hemisphere. Our situation requires us to give serious, constant attention to relations between the West and the Third World.

It is about this subject that I want to talk today. But before I do let me make one thing very clear. If I concentrate on these questions on this occasion, it is not because Australia is indifferent to or complacent about East-West questions, about the seriousness of the military threat of the Soviet Union to freedom and democracy in the world. On the contrary, we are most concerned.

.../2

Since assuming office in 1975, I and my Government have constantly emphasised the gravity of this threat and the need for an effective response by the West. We did so even when belief in detente was in the ascendancy and the views we expressed were unfashionable and characterised as provocative.

Now, and none too soon, things have changed, partly due to the blatant nature of Soviet behaviour and partly to the remobilisation of will in the United States which President Reagan embodies. In my talks with the President last week, I made it clear that Australia profoundly welcomes the re-found resolve and firmness of the United States towards the Soviet Union. As a middle power, Australia will do all within its means to encourage and support strong and purposeful American leadership in this respect.

I say with absolute conviction that such leadership from you is an essential precondition for the security of peace, freedom and democracy in the world. I say also, and with equal conviction, that you are entitled to and must receive support from other democratic Governments in this task.

The American nation has carried a huge burden in defence of freedom over the last four decades. Its shoulders are strong. But morally and materially the burden must be shared, shared by other democracies which have grown wealthier and more powerful behind the protection you have provided and, in the case of Western Europe, as a result of the economic help you gave in the immediate post-war years... (The Marshall Plan still stands out as a magnificent example of enlightened self-interest, a definitive reminder that generosity is often very sound policy.)

We all know now that there is no such thing as a free lunch; Western countries should also recognise that in the long run there is no such thing as a free ally. Australia well understands this. It is because we do, and also because we owe it to those Australians who fought and died in earlier wars, that we have spoken out and will continue to speak out about the need for a concerted effort on the part of the West. For such an effort is the surest guarantee of peace.

I stress this not only because it is of vital importance in its own right, but because it is a necessary background to what I have to say about relations between the West and the Third World. For my position is somewhat untypical.

In the West, those who are tough-minded and realistic about East-West relations sometimes tend to be sceptical and dismissive about the Third World and North-South issues. They are disinclined to take them very seriously.

.../3

Conversely, those who are concerned about North-South issues, who accept they are important, only too often dismiss a serious preoccupation with the Soviet threat as outdated, exaggerated and a diversion from the crucial problem of managing global interdependence.

I believe that both groups - and the either/or mentality they represent - are profoundly mistaken. I believe that East-West issues and North-South issues are of the utmost importance. I believe moreover that the two sets of issues are closely interlinked, that what happens - or equally important what does not happen - with respect to one will have crucial implications for what happens to the other.

There is no question of choice involved. As a matter of basic, rational self-interest they must both be attended to and attended to urgently. As I judge it, the most immediate danger to guard against at present with respect to relations between the West and the Third World is that of scepticism and indifference.

There are thoughtful, honest and responsible people who maintain that there is really no such entity as the "South" or the "Third World", that it is merely the figment of the imagination of intellectuals, ideologues and journalists. They point to the heterogeneity of the Third World, the great differences which exist among its claimed members, to their disparate and conflicting interests. And they conclude that there is no substance behind the labels. They maintain therefore that Western dealings with the countries involved should be bilateral and selective and that we should refuse to accept the notion of a North-South dialogue.

There are others who say that even if there is some substance there, it is fast disappearing as memories of colonialism fade and as a significant number of Third World states become more developed and wealthy. They anticipate a process of "graduating out" which will leave the Third World an increasingly unimportant rump. On this basis, they argue that what the West should do is to stall and play for time - to keep issues "on the back-burner" as the saying goes - in anticipation that pressure and demands will diminish with time.

Most important of all, perhaps, there are those who maintain that even if the Third World exists and continues to exist, it need not be taken too seriously. The advantages, they claim, are all with the developed industrial countries.

You remember that Stalin once contemptuously asked the question, "The Pope? How many divisions has the Pope?" These people take a similar attitude towards the Third World. Overall, they point out, it is poor, it lacks political and military power, it is dependent on Western capital, know-how, aid and managerial capacity. It needs us much more than we need it.

Therefore, they complacently conclude, we can afford to resist its demands, to drive a hard bargain - or, indeed, to refuse to make any bargain at all. I believe all these views to be profoundly mistaken.

Everything that is said about the diversity and conflicting interests of Third World countries is true. But as well as this, and despite it, there is also a real sense of identity, of unity and solidarity among these countries.

You may recall that it was said of the Holy Roman Empire that it was not holy, Roman or an empire; yet it was a potent actor in European politics for centuries. In the same way, the Third World is today a potent reality despite its internal diversity and divisions. That reality is evident in the voting patterns of the United Nations. It is evident in the institutions that the recently independent countries have forged for themselves, particularly the Group of 77 and the non-aligned movement.

It is evident in the degree of support the now oil-producing countries have given OPEC despite their interest in low oil prices; in the willingness of non-African states to support the Africans in their opposition to South Africa and apartheid; in the willingness of non-Arab states to support the Arabs over Palestine; in their ability to agree on the programme for a new international economic order. It is evident most of all in their ideology.

Those who dismiss this ideology as "merely rhetoric" are, I suggest, ignoring the overwhelming and cruel evidence which this century has provided of the decisive importance of ideology in modern politics. I agree with Senator Daniel Patrick Moynihan that "the beginning of wisdom in dealing with the nations of the Third World is to recognise their essential ideological coherence". For in political terms the Third World is essentially a state of mind: a matter of shared memories, frustrations, aspirations and sense of what is equitable and just. Like the working classes in the domestic politics of the 19th century, they want to have full citizen rights in the world, to be subjects who act rather than objects who are acted upon: Just as Stalin was foolish in overlooking the spiritual power of the Papacy, so it would be foolish to underestimate the binding and motivating force of this aspiration in the Third World.

As to the claim that the Third World will disintegrate before long, that there will be a "graduating out", I simply observe that twenty years after the main wave of decolonisation there is no evidence of it. Many Third World countries have made great economic progress in that time - some have transformed themselves - but none has sought, as a result, to disassociate itself from the group or shows any sign of doing so.

Surely, if there were substance in this thesis of a natural "graduating out" process there would be some evidence to support it by now. In this respect I am sceptical of the sceptics. The Third World, or the "South", exists and is likely to continue to do so for the foreseeable future.

But is it important? Should the West take seriously what it represents? My answer to that is an emphatic "yes". In economic terms, something of the order of 25 per cent of the West's entire trade is with the Third World. In the case of the United States the figure is over 40 per cent and in the case of Japan 50 per cent. This means that hundreds of thousands of jobs in Western countries depend on this trade and that the serious unemployment we are now experiencing would reach crisis proportions - proportions which would threaten the existence of democracy itself - if it was disrupted.

There are many in this audience and there are many in my own country who can remember the demoralising effect of the mass unemployment that occurred in the 1930s. In my own country over 30 per cent of the workforce was jobless during the worst period. A recurrence of unemployment on that scale would threaten the existence of democracy itself. Rising living standards and growing markets in Third World countries may play a critical role in ensuring that we do not. In addition, of course, the trade we have with the Third World involves commodities which are vital to Western economies and societies.

Oil is the clearest and most important example, with 60 per cent of the world's oil coming from a handful of Third World countries. Out of conviction or prudence, or a mixture of both, those countries have shown themselves unwilling to divorce the question of oil from other matters of concern to their fellow members of the Third World. Beyond this there is the fundamental point that the West's commitment to a global market system requires and depends on the participation of the 120 or so countries of the Third World, over two thirds of all the countries which exist in the world.

One should not talk of these economic relationships purely in terms of potential danger. The language of opportunity is equally relevant. Over the last decade a number of Third World countries - the so-called newly industrialising countries - have sustained growth rates well in excess of those achieved by the rest of the world, including the West. By doing so they have prevented the world recession from being much more severe than it would otherwise have been. Insofar as this vigorous growth is maintained and extended to other Third World countries, insofar as countries which are now clients, through rising living standards, are converted into customers and consumers, the economies of the West will benefit. And insofar as this does not happen they will be impoverished.

This is why it is essential that, in its dealings with the Third World, the West should be true to its faith in the market system, should allow the newly industrialised countries access to its markets and should reject firmly the temptation to resort to protectionist measures which deny those countries the rewards for their own efforts and enterprise. In saying this I am emphatically rejecting the Marxist notion that the prosperity of the West depends on the impoverishment of the Third World.

Thomas Jefferson's observation that "it is a kind of law of nature that every nation prospers by the prosperity of others" seems to me to be much closer to the mark and a much better guide to policy. Australia is in as good a position as anyone to appreciate all this.

We happen to live in a part of the world where many of these newly industrialised countries are concentrated, countries whose economies have been growing at twice the world average, or better, over recent decades. They - together with Japan, which in many respects has provided a model for them - have proved invaluable to Australia at a time when structural changes were threatening our traditional markets in Europe. They have made possible a remarkable change in our pattern of trade.

Of course, it is true that if the West is dependent on trade with the Third World, the Third World is even more dependent on trade with the West. Over 70 per cent of its trade is with the developed industrialised countries. But it is a serious error to assume, as some do, that because of this - or for that matter because of the substantial OPEC investments in the West - the Third World can be taken for granted, that in the last resort it has no option but to co-operate with the West on Western terms.

The basic error here is to assume the primacy of economic rationality over politics, an assumption that runs counter to the fundamental experience and character of the Third World. We would do well to remember the advice given by President Nkrumah of Ghana to African nationalists: "Seek ye first the political kingdom". We would do well to remember too Sukarno's "go to hell with your aid", uttered when the economy of Indonesia was a shambles and when it desperately needed all the American aid it could get. For these words represent widespread and deep-seated attitudes in the Third World.

More recently, despite its irrationality and intolerance, what has happened in Iran has pointed to the same lesson: the lesson, that is, that many countries in the Third World will not hesitate to sacrifice their own immediate economic interests for political reasons of status, independence and what they believe is justice.

Those of us who fail to understand the force of this, do so only because we have forgotten our own history - because we have possessed freedom and independence for so long, have come to take them so much for granted, that we do not recall the passionate intensity of feeling they invoke when they are newly acquired. But the author of the Declaration of Independence understood that feeling and shared it. "By the God that made me", he wrote in 1775, "I will cease to exist before I yield to a connection on such terms as the British Parliament proposes". That, or something very like it, could have been said by many Third World leaders in our time.

It is also worth contemplating the potential power of the weak, of those who feel they have little left to lose - the power to threaten collapse, disorder and chaos. This is a potent power against those who have a large stake in stability and efficient working of the existing order. In this respect, the question that should be asked is not whether the Third World could conceivably reject the existing system and establish a viable one of its own, but how much damage would be done in any attempt to do so.

Edmund Burke said it better when he observed, in the process of cautioning Britain on its treatment of the American colonies, "that discontent will increase with misery; and that there are critical moments in the fortunes of all states, when they who are unable to contribute to your prosperity may be strong enough to complete your ruin." Today, all the Western countries need to heed that advice.

Apart from all this, there are compelling strategic and geopolitical reasons for taking the Third World seriously. Some of the most sensitive areas in the world - the Middle East, the Caribbean and Central America, Southern Africa, the Korean peninsula - are Third World areas. Most of the key "choke points" in the world - the Straits of Hormuz, the Panama Canal, the entrances to the Red Sea, the passages from the Indian Ocean to East Asia - lie within the Third World. Over and above this, East-West rivalry has been and is largely fought out in the Third World and the West is extremely sensitive, rightly so, concerning any significant gains made by the Soviet Union in the Third World.

Moreover, despite its poor overall record in providing aid to developing countries, the Soviet Union can exploit tensions in relations between the West and the Third World. Given the unprecedented military strength it has at present, the Soviet Union is likely to make a particular effort in this respect during the next few years.

If the West is concerned to prevent these efforts from succeeding there are several things it should do. First, it should act to ensure that Third World perceptions of the East-West conflict are not of a declining West and an ascendant Soviet Union. For, as a political leader of a country allied to the United States once succinctly put it on returning from a visit to Moscow, "no-one wants to be caught on the wrong side".

Secondly, the West should act in ways which minimise the need for Third World countries to contemplate turning to the Soviet Union in order to get the aid and assistance they desperately need. That in turn means maintaining a constructive and forthcoming relationship which does not systematically frustrate Third World hopes.

Thirdly, the West should do what it can to emphasise and show understanding of the economic dimensions of Third World affairs and the development aspirations of the Third World; for as long as the principal issues are economic the Soviet Union is not in the race as a competitor to the West.

What is needed, in other words, is an integrated policy which combines a stress on restoring, and then maintaining a military balance which can preserve world peace and a positive attitude towards economic relations with the South.

I repeat, there is no real choice involved between these two components of policy. Both are essential. So far, I have deliberately concentrated on making the case for a serious Western concern with the Third World in terms of direct political and economic self-interest, for that case has to be established if Western Governments are to respond. But that does not mean that I do not recognise other aspects and arguments. I should like to mention two of these.

First, there are the altruistic, humanitarian dimensions of the problem. We should never forget the extent of the stark human suffering that is involved in the Third World, never allow annoyance at the posturing and hypocrisy which sometimes characterises North-South relations to obscure it.

According to the World Bank, not a body given to emotional exaggeration, 800 million people are living in conditions of "absolute poverty" in the Third World. The infant mortality rate in low income Third World countries is twelve times as high as it is in Western countries. Life expectancy in them is still under 50 years. Thousands are dying every week from malnutrition and outright starvation.

As a society which holds Christian and humanitarian values, we must be diminished and damaged as long as we continue to live in a world where such conditions are commonplace. It is not a question of our masochistically accepting guilt for creating these conditions; that is an absurd oversimplification of the historical record. It is a question of our responsibility, in terms of our own professed values rather than of the demands of others, to work for the abolition of these intolerable conditions. And, again, of our interest in seeing them abolished.

My second observation is that, even apart from the claims of the Third World, there is another dimension of international relations which points to a clear and urgent need for action. This is the one covered by the now familiar phrase "the management of interdependence".

It is true that in recent years the case for this has sometimes been overdrawn and it is foolish to maintain, as some have done, that this task somehow renders obsolete the traditional concerns of power and national interest. But even after this exaggeration has been discounted, the basic case is sound enough.

The trebling of the number of states in the world; the very rapid increase in the volume of transactions among these states; revolutionary changes in communications, transport and other technologies; much greater demands and pressures on man's physical environment; the emergence of trans- or multi-national corporations as a major force in international economic relations: all of these point to the necessity for developing multilateral negotiating processes to deal with the new and unprecedented complexity and to respond to the new awareness of global environmental problems. The quality of the world in which our children will live will depend crucially on whether we succeed or fail in this respect.

But improving the management of interdependence and the North-South dialogue are intimately linked and progress in one depends on progress in the other. They must be approached as parallel enterprises. If the second is stalemated so will the first. At present the North-South dialogue is stalemated. The global negotiations which were to be held have been postponed and postponed again. There is little evidence at present of the political will necessary to break that stalemate and to initiate progress.

As I have indicated I believe that there are compelling reasons why the effort to marshal that will must be made. There will be opportunities to make that effort in the near future: in the Ottawa Summit this month; at the Commonwealth Heads of Government Meeting which I shall chair in Melbourne in October; and at the summit meeting in Mexico on North-South issues shortly afterwards. If these opportunities are not seized, if by the end of the year no progress has been made, the outlook will be very bleak indeed and the last decades of this century will promise tension, frustration and instability rather than hope. The Western nations should seize these opportunities.

In doing so I suggest that there are a number of guidelines we should follow if we are to succeed:

First, and fundamentally, we should accept and take seriously the reality of the South or the Third World as a political presence on the world stage.

Second, we should accept that, given the great transformation that has occurred in the world in the past 40 years, significant changes in international institutions and processes are inevitable. The question is whether these changes are to be orderly, negotiated ones or imposed by disruption and breakdown.

Third, substantively we should adopt an innovative, constructive attitude towards the North-South dialogue, rather than be reactive or passive, leaving all the initiative to the Third World. For we have very important interests of our own in seeing progress made.

Fourth, procedurally the efforts of the West should be directed to forging more effective and efficient forms of multilateral negotiations, rather than to avoiding, delaying or frustrating them.

Fifth, if we want to retain credibility we should not play fast and loose with our commitment to the market economy. We should not preach it in order to dismiss Third World claims while simultaneously pleading special circumstances to justify exceptions in our own case. If exceptions can be made for our needs, why not for those of the Third World? Conversely, if it is an overriding commitment, why not apply it in dealing with the Third World's claims for access to markets?

Sixth, we should always bear in mind the interrelationship between North-South and East-West issues and not treat them as two separate categories. Success in dealing with the Soviet Union will always require the maintenance of a military balance. But in the middle to long term it will also depend significantly on the resolution of North-South differences. If Third World leaders come to us for the teachers, the advisers, the technologies, the capital, and in some cases the political support they desperately need; if they make it evident that, given a choice, they do not want to deal with the monolithic bureaucracy of the Soviet Union, that they are suspicious of its demands for political association as the price for aid; and if we still refuse to respond to them, then we do so at our own peril and the consequences should come as no surprise. The needs of the Third World are such that, in the last resort, it will turn for assistance to wherever it is available, rather than go without. The West must ensure that that last resort is not the Soviet Union.

Seventh, we should act in such ways as to support and strengthen the moderate elements in the Third World. Those elements which seek co-operation and want to achieve accommodation with us. Too often in the past we have behaved in ways which weaken the moderates and strengthen extreme forces hostile to us.

Eighth, as well as working to reinvigorate the North-South dialogue, each of us should do what is within our means, bilaterally and regionally, to contribute independently towards improving the prospects of the developing countries and relations between them and the West. Important as the North-South dialogue is, everything should not be made to wait on it.

Ninth and last, we should work on the assumption that time is a wasting asset, that the longer the delay in addressing them the more intractable will the problems become.

I should make it clear that in advancing these principles, I am not suggesting that it only the West which must revise its attitudes and behaviour if progress is to be made. The same is true of the Third World and I hope that there will be voices in it which will urge a moderate and constructive approach.

Neither am I suggesting that the developed countries should simply accept the package of demands made by the Third World. Rather that the approach should be a positive one which seeks to identify what is justified and sound in the Third World case and respond to it. In that process wider criteria than economic rationality should be employed because more than economic interests are involved.

In conclusion let me say that to respond to the North-South dialogue adequately we must be prepared to see it in broad historical perspective. In little over a generation, over a hundred new countries have come into existence. Nearly all of them have a colonial past. Nearly all of them are very poor compared with Western countries - how poor it is difficult for us in our prosperity to conceive. Think of how long it takes you to spend \$200; then contemplate that there are over one billion people in the world whose average annual income is less than that amount.

Again, and equally important in political terms, all these countries are deeply concerned about their place in the world, their dignity, status and influence. These countries and their needs have to be accommodated, and accommodated in a world which is simultaneously becoming smaller, more crowded and more complex. The conditions must be created which give them opportunities to break the grinding circle of poverty in which they are caught. There is much they can and must do for themselves. But simply to tell an under-nourished man who is working hard, arid, poor soil with a wooden plough, in the certain knowledge that his crop will be at best meagre - and there are millions of such men - simply to tell him that he must work harder and show more enterprise is insulting and dangerous nonsense. We cannot solve the Third World's problems; but we can help to create the conditions under which they can be tackled with some hope of success; and perhaps only we can.

This is essentially what the North-South dialogue is about and the atmospherics and frictions of day to day events should not be allowed to obscure it. Developing the statecraft and the will to achieve this accommodation is one of the decisive challenges of our time. It is not an easy challenge to meet. It lacks the drama and crisis of war and political confrontations. It invites the resigned answer that "the poor are always with us". If we fail, the effects are unlikely to be immediately catastrophic, they may not be felt this week or this year. But, make no mistake, they will be felt and felt with cumulative force over the next decades, and we will be cursed by our children for our short-sightedness, our selfishness, our failure to seize opportunities in good time.

Mr President, before I came to the United States on this visit I had been told that the current mood of the American people was not receptive to accommodating the Third World. Given the burden that you have carried in world affairs and given also the need for that renewal at home which President Reagan called for in his inaugural address, I could understand that some might feel like that. I will not presume to assess the American mood on the basis of a brief visit, though I can say that I did not find indifference or lack of understanding in Washington last week. In any case, I believe that there are certain periods in history when timely and bold adjustments to new forces are necessary to forestall convulsion, disarm revolution and preserve peace. I believe also that conciliation and magnanimity are usually sound policy.

At the time of the dispute between England and the American people in the 18th century, a dispute not without relevance to the contemporary situation, one of the wisest and most penetrating of political observers said: "It is not whether you have the right to render your people miserable, but whether it is in your interest to make them happy. It is not what a lawyer tells me I may do; but what humanity, reason and justice tell me I should do. Is a political act the worse for being a generous one?"

In the 19th century, the countries which enjoyed domestic peace were those who responded in good time to the aspirations of the new working classes and adopted democratic political institutions.

In our lifetime we have the evidence of the magnificently generous American response represented by the Marshall Plan to novel and dangerous circumstances. It is worth recalling, too, the enlightened recognition of and response to the "wind of change" in Africa which in a matter of three or four years transformed a continent of colonies into a continent of independent states with minimum bloodshed. I believe profoundly that we are now at a turning point in global history which is at least as critical and important as these great episodes I have referred to. The magnitude of the problems, the scale of the adjustments necessary, the vision required should be conceived in these terms. Mr President, ladies and gentlemen, for the sake of this and succeeding generations, I trust that they will be.

---ooo000ooo---