

PRIME MINISTER

SEMINAR ON SOUTH AFRICA: 13 SEPTEMBER

The participants - list attached at Flag A - have been invited to arrive at 1000 hrs. You will want to give them coffee; and the seminar might begin at 1030. I suggest that you allow two hours for discussion in the morning, breaking at 1230 for drinks and lunch at 1300. The afternoon session, for Ministers and officials only, might then run from 1500-1630 hours.

At the morning session you will want to give priority to eliciting the views of the non-official participants. This session might be devoted to trying to define exactly what it is that we want the South African Government to do, and how we can best influence them to do it. The afternoon session could then concentrate on choosing between the options which we hope the morning session will expose.

The background paper circulated to all participants is at Flag B. President Botha's speech is at Flag C. And the paper on policy options, circulated to officials only, is at Flag D.

I attach some Chairman's notes which suggest the main issues which you might tackle at each session.

C.D.P.

C.D. Powell
10 September, 1985

P.S. You will ~~also~~ want particularly to look at the Chairman's notes & at the policy papers at Flag D.

How to influence S. Moore fast,

How to avoid standing out alone

a) Difficulty of finding
middle ground
Sider, redwood &
polished

Underestimate danger of
unintentional action

One man, one vote but not in a /
unlike state.

Increase in ranches & disinterest to reform
settlement - would by their time.

SEMINAR ON SOUTH AFRICA:
CHAIRMAN'S NOTES

A. MORNING SESSION

Introduction

1. The starting point for discussion is Britain's close and direct involvement in South Africa: history, large number of people of British origin, strategic importance of Cape route, source of vital raw materials, substantial investment, large market on which 150,000-200,000 jobs depend.

2. The policy of apartheid, besides being objectionable in its own right, has posed a serious threat to these interests because of the constant pressure it creates to ostracize South Africa and limit trade and other dealings with it. We have therefore used our influence to promote peaceful change in South Africa. That remains our aim. The most useful tasks for this seminar will be to define what we regard as the desirable degree and pace of change and the most effective ways to help achieve it. This will of course mean discussing economic measures or sanctions and their effect and considering what the alternatives to them are. Can we for instance think in terms of incentives rather than sanctions?

Peaceful Change

3. The South African government are constantly told that they must change their policies, but this is usually expressed in general terms like 'dismantle apartheid', without spelling out in detail what is meant.

4. Can we define more precisely what we mean by 'acceptable change'? What do we actually want the South African Government to do? And what we can realistically expect them to do? There is also the question of the time-frame for such change?

5. How wise is it to try to be specific about the nature of the change we regard as desirable? Is it enough for the South African Government to announce a decision to abolish apartheid but in an orderly manner and without any deadline? Is it practicable to expect them to do so? Would that reduce international pressures for sanctions and restore international banking confidence?

6. Or should we try to give a more specific yardstick of what we regard as acceptable change? Measures which have been mentioned include:

- end to forced removals ✓
- end to the pass laws ✓
- end to the state of emergency
- common citizenship ✓
- release of Nelson Mandela ? use of violence?
- power-sharing with the black community (whatever this may mean).

7. Are there other specific constitutional changes which we ought to encourage e.g. that recommended by the Buthulezi Commission?

8. What prospect is there of achieving an internal consensus in South Africa on reforms which are 'adequate'? What might that encompass?

← 9. Is it agreed that certain things are simply impracticable e.g. one man one vote in a unitary state?

10. How can we reassure the South African government that pressure for change will not be open-ended, that they will always be pressed for more?

Pace of Change

11. Considerable change was already taking place in South Africa before the recent events. How far would it have gone

E.P.

if the South African government had been left to its own devices? Was the South African government capable of taking the decisions necessary to achieve 'acceptable' change without more direct internal and external pressures? Was genuine reform in progress which is now likely to be disturbed? Or was it too little too late?

12. To what extent is it feasible or desirable for outsiders to construct a time-table for desirable change?

13. What are the risks for British interests from change which goes too far or too fast?

Measures to assist change?

(a) Internal

14. On the internal front, how influential can business within South Africa actually be in encouraging and promoting internal change? To what extent does business need support/encouragement from outside.

15. How credible are the moderate black leaders such as Chief Buthelezi? To what extent are the South African government's current measures actually undermining the credibility of such leaders and strengthening extremists? To what extent do we regard the ANC as really 'extremist'?

(b) External

16. What role can external measures have? Do limited economic measures of the sort undertaken by the US Administration have any impact? Or do they just satisfy liberal consciences without achieving anything practical? Even if they don't have any practical effect, are they useful as a political signal? Are they the writing on the wall for the South African government? Or a provocation which encourages them to dig in deeper?

17. What about more extensive economic and trade sanctions e.g. a mandatory UN trade embargo? What is the ability of the South African economy to continue despite them? What would be the impact on the black population (and on neighbouring African countries)? Would such measures force the hand of the South African government? Or just develop its laager mentality? Does the pressure for such sanctions come from sinister forces who are exploiting well-intentioned desire to see change in South Africa for more radical and far-reaching aims?

18. What is the lesson of recent market developments? Do they show that sanctions are unnecessary, because the market is more effective than government measures? Or do they show that government-backed measures could be even more effective?

19. To what extent should we be offering positive incentives for change rather than negative sanctions? What might these be? An undertaking to lift all existing restrictions if certain steps were taken? A more detailed tariff of measures by the South African government and responses by the outside world?

20. Can non-economic measures have a useful role? How effective has the sports boycott been? What effect does political ostracism e.g. withdrawal of Ambassadors, exclusion of South Africa from certain international gatherings and organisations have? How far can one construct in this area too incentives rather than sanctions?

B. AFTERNOON SESSION

1. You might first try to get agreement on:

(a) the likely situation in South Africa over the next few years:

- will black protest continue to gather force?
- how will white morale be affected?

- will the security forces be ready for strong action?
- can they hold the situation?
- are we facing the likelihood of a terminal black/white clash whatever the preliminaries?

(b) the likely international context:

- can the US Administration get away with no more than the limited measures it has already taken? Or will it be forced down the path of ever more severe measures?
- can we look to any of our European partners - the Germans, the Italians - to stand with us in resisting mandatory economic sanctions?
- how do we assess the strength and likely development of domestic opinion in the United Kingdom on the issue?

(c) the risk of retaliation against our economic interests in third countries from failing to take/join sanctions against South Africa.

2. In the light of the answers on these points:

- is it agreed that we continue to resist pressure for mandatory economic sanctions, using our veto as necessary, possibly in isolation?
- is that task made easier if we adopt largely cosmetic measures on the lines of those taken by the US? Or should we continue to decline to take any economic measures?
- should we consider any non-economic measures and if so what?
- what other measures are open to us to influence South African government policy in a positive direction?