Rle

SH

SIR ANTONY ACLAND

cc Sir Robert Armstrong
Sir Crispin Tickell
Mr Ricketts (for information)

Mr. Mulroney told the Prime Minister this evening that it was widely recognised among Heads of Government that Commonwealth action on South Africa would be meaningless unless Britain was party to it. He suggested that the United Kingdom should take an initiative by proposing a package of measures. These should represent the lowest common denominator of Commonwealth agreement. Everyone would agree to it as the minimum: but it would be open to governments to do more. He was confident that such an initiative, which need not include measures which would impose an unfair burden on the United Kingdom, would satisfy the Front Line States and allow Commonwealth unity to be maintained.

You may like to let the Prime Minister have, before the retreat, a note of what such an initiative might comprise. As youknow the Prime Minister is opposed to any additional economic measures against South Africa. So the package might combine:

- a statement of principles stressing the need for dialogue between the Southern African government and representatives of the black community;
- a re-statement of the measures which we have already agreed to within the European Community;
- a 'political' initiative ie. a contact group or some such
- additional positive measures of help for blacks in South Africa

It would also be helpful to give the Prime Minister advice on whom she might entertain at Lyford Cay. My own list would include: Mr. St. John, Mr. Esquiyel, President Masire, Sir Ratu Mara, Mr. Seaga, Mr. Kibaki, Mr. Jugnauth, Mr. Lange, Mr. Somare, Mr. Lee Kuan Yew, President Jaywaredene, Mr. Salim and Mr. Mugabe.

C D POWELL

16 October

CONFIDENTIAL

Subject.





10 DOWNING STREET

From the Private Secretary

16 October 1985

Dear Jety

PRIME MINISTER'S MEETING WITH THE CANADIAN PRIME MINISTER IN NASSAU ON WEDNESDAY 16 OCTOBER 1985

The Prime Minister had a talk this evening with Mr. Mulroney. As with President Kaunda, it was concerned exclusively with South Africa.

Mr. Mulroney asked the Prime Minister's impression of the Opening Session of the Commonwealth Heads of Government Meeting. The Prime Minister said that she had heard it all before. Speeches at the Opening Session were invariable and made with an eye to the audience at home. The Prime Minister continued that she was convinced that sanctions against South Africa would not be effective. They would only damage industry which was in the lead in breaking down apartheid. The need was to focus on practical questions of how to get a dialogue between the South African Government and representatives of the black community started. The rhetoric was flowing freely but there was no sign of practical proposals emerging. Mr. Mulroney agreed that very few Heads of Government had thought through the issue of what the Commonwealth could actually do about South Africa.

Mr. Mulroney said that he had tried, in the tone of his remarks at the Opening Session, to indicate that Canada was not "latched on to any crazy ideas". He could well understand that the impact on the United Kingdom of measures of the sort which Canada has recently taken would be of an entirely different order. On the other hand he could not conceive of the Commonwealth doing anything useful about South Africa without the United Kingdom's participation. He believed that the United Kingdom could assert its leadership at a fairly modest price. He hoped that Britain would take an initiative which could be supported by everyone. Canada had the firm impression from its contacts with the Front Line States that it would be sufficient for the United Kingdom to come forward with a package of measures which would in effect represent the lowest common denominator for Commonwealth agreement. Others could then add additional measures if they chose. Such a solution would allow Commonwealth unity to be maintained. He was certain that an initiative could be devised which was acceptable to others but imposed no unfair burden on Britain.

The Prime Minister said that experience had taught her never to put forward ideas at too early a stage. Britain was almost invariably in the doghouse in the early days of a CHOGM. No-one would begin to address the problem of South Africa seriously until the Retreat. She would persist steadily with her line that sanctions would be destructive when what was needed was some positive signal to encourage the process of reform and dialogue. Mr. Mulroney said that Canada had come to the Bahamas to support the United Kingdom. We would not hear a word of criticism about our position from Canada. Equally, Canada wanted to avoid the United Kingdom's isolation or a division in the ranks of the Commonwealth. He thus returned to the point that what was needed was a British initiative to which others could subscribe. Indeed they would "all stand in line and salute". He had selfish reasons for wanting the Commonwealth to agree a position. He was worried that the United States would soon take further action against South Africa and did not want to find himself under pressure to follow suit.

The Prime Minister said she was grateful to Mr. Mulroney for what he had said. She remained convinced that it was too early to come out with any proposal yet. Solutions tended to emerge from the discussion and it was best to preserve any initiatives until a late stage. Mr. Mulroney said that he hoped the Prime Minister would consider some small step which would go beyond the United Kingdom's existing position. He did not want to make any specific proposal though when he had asked President Nyerere what he thought Britain should do, the answer had been that we should impose restrictions on South African agricultural exports. It might not necessarily have to be all South African agricultural exports, just one or two products. The Prime Minister said that she was firmly resolved not to take any additional economic measures. She had taken her final step - and she meant final - in accepting the common European position. She did not relish being isolated within the Commonwealth but would be so if necessary.

yours sicrely Rales Parell

Charles Powell

Peter Ricketts, Esq., Foreign and Commonwealth Office.