

PRIME MINISTER

PRESS CONFERENCE THIS EVENING

On the assumption of a successful outcome, I think you should hold a press conference (which would be recorded and televised) this evening at the Nassau Beach Hotel just down the road.

It is possible that we may be able to get there only British, plus a few American and white Commonwealth journalists. But if the press conference is recorded and televised it will go out over the world.

You should do radio and t.v. news interviews afterwards, so that you command the breakfast bulletins.

The latest we can possibly hope to get anything into tomorrow's Fleet Street newspapers is a press conference starting 9.00 pm (Nassau time); 2.00 am London time. But it is more important you prepare properly and get it right on radio/tv than catch the last Fleet Street editions.

I attach at Annex I a draft opening statement which you will wish to knock about since it is written with an imperfect knowledge of any agreement.

What we have tried to do is to present the outcome positively AND anticipate the awkward questions which you can reasonably expect from our briefings of the press.

Your main problem will be to kill the charge that you have had to give a lot in order to get an agreement - ie. that you have done a U-turn - without immediately rubbishing as of no account the additional measures taken.

The media will clearly see the ban on the financing of trade missions and the ban on imports of Krugerrands as trade sanctions, notwithstanding all we have said up to now. Some people will also interpret the trade measures as damaging our industry, in competition with other countries, and not South African industry. Any agreement, coming rather out of the blue, will however be seen as:

- a real success for the Commonwealth; your aim (and our aim) must be to get it seen as a negotiating triumph for you after being outnumbered 48-1.
- Evidence of the Commonwealth's desire, whatever its differences, to stick together; you should emphasise that, within your principles, that was your aim too.

Your greatest asset will however be a surprise agreement. We aim to use that element of surprise to its full. The timing is very much with you. The media will not have any time to think - they will have to move very fast indeed to convey the news to London. Because of the shortage of time, I propose to let the conference run for about 20 - 25 minutes. We will use one of our bedrooms for radio and t.v. interviews.

Duty Ask

pp BERNARD INGHAM

20 October 1985

DRAFT OPENING STATEMENT

I AM VERY PLEASED TO BE ABLE TO TELL YOU THAT AFTER MANY
HOURS OF NEGOTIATING THIS WEEKEND THE
COMMONWEALTH CONFERENCE HAS REACHED AGREEMENT
ON ~~ITS~~ APPROACH TO SOUTH AFRICA.

IT HAS BEEN A LONG AND INTENSIVE DISCUSSION ~~WHICH~~ I
PERSONALLY HAVE SPENT AT LEAST TEN HOURS IN
DIRECT NEGOTIATION EITHER WITH SMALL GROUPS
OF COLLEAGUES OR IN FULL PLENARY SESSION.

/ BUT WE

BUT WE NOW HAVE AN AGREED APPROACH TO THE PROBLEM WHICH
HAS DOMINATED THE COMMONWEALTH CONFERENCE HERE
IN NASSAU:-

THE ABHORRENT SYSTEM OF APARTHEID IN SOUTH
AFRICA AND THE NEED FOR IT TO BE REPLACED
PEACEFULLY AND SOON BY A MULTI-RACIAL SYSTEM
ACCEPTABLE TO ALL THE PEOPLE OF THAT COUNTRY.

WE ARE DISTRIBUTING/HOPE TO DISTRIBUTE A TEXT OF THE
AGREEMENT SHORTLY.

ALL I WILL DO NOW IS TO HIGHLIGHT CERTAIN
POINTS,

/ FIRST :

FIRST WE STARTED THIS LONG SEARCH FOR AN AGREED
COMMONWEALTH POLICY WITH ABSOLUTE ACCORD ON
ONE THING - THE TOTALLY UNACCEPTABLE NATURE
OF APARTHEID.

SECOND, WE HAVE MADE IT CLEAR THAT THE ROUTE TO CHANGE
MUST BE PEACEFUL AND THAT VIOLENCE MUST CEASE
AS THE TALKING STARTS.

I REGARD THAT AS A VERY IMPORTANT ACHIEVEMENT
THIS WEEKEND.

THIRD, WE ARE ABLE TO LIST AN IMPRESSIVE NUMBER OF
MEASURES WHICH ALREADY REFLECT OUR REVULSION
OF APARTHEID AND SIGNAL TO SOUTH AFRICA THE
NEED FOR EARLY CHANGE.

NO COUNTRY, I MAY SAY, DOES MORE IN THIS AREA
THAN THE UK.

FOURTH, AGAINST THE BACKGROUND OF A COMMONWEALTH CALL

FOR THE RENUNCIATION OF VIOLENCE, I HAVE,

IN A SPIRIT OF COMPROMISE, BEEN ABLE TO AGREE

TO ADD TWO FURTHER RESTRICTIVE MEASURES TO

REINFORCE THE SIGNALS ALREADY BEING SENT TO

SOUTH AFRICA.

THESE ARE:

- A BAN ON THE IMPORT OF KRUGERRANDS
INTO BRITAIN; AND
- AN END TO GOVERNMENT FINANCING TO
BRITISH TRADE MISSIONS TO SOUTH AFRICA.

/ AS YOU KNOW

AS YOU KNOW, I TOLD MY COLLEAGUES ON FRIDAY THAT AMONG
THE MEASURES WE IN BRITAIN WERE ALREADY TAKING
IS A BAN ON GOVERNMENT LOANS TO THE SOUTH
AFRICAN GOVERNMENT AND THIS IS LISTED IN THE
AGREED STATEMENT.

FIFTH - AND I THINK THIS IS MOST IMPORTANT - THE COMMON-
WEALTH HAS AGREED TO TRY TO PROMOTE DIALOGUE
BETWEEN THE SOUTH AFRICAN GOVERNMENT AND ALL
ITS PEOPLES TO SECURE AN EARLY END TO APARTHEID
AND TO ACHIEVE THE SORT OF MULTIRACIAL BUT
ECONOMICALLY STRONG COUNTRY WE ALL WANT TO SEE.

/ SIXTH

SIXTH, WE HAVE AGREED THAT THIS DIALOGUE SHOULD BE PROMOTED BY A GROUP OF EMINENT COMMONWEALTH PERSONS, WHO HAVE YET TO BE SELECTED.

I VERY MUCH HOPE THAT THE SOUTH AFRICAN GOVERNMENT WILL RECEIVE THIS INITIATIVE IN THE SPIRIT IN WHICH IT IS OFFERED.

SOME OF MY COLLEAGUES MAY HAVE IT AT THE BACK OF THEIR MINDS THAT MORE RESTRICTIVE MEASURES SHOULD BE INTRODUCED IF PROGRESS AFTER SIX MONTHS IS JUDGED INADEQUATE.

THEY KNOW THAT THIS IS NO PART OF OUR THINKING BECAUSE WE BELIEVE THAT THE SOUTH AFRICANS WON'T MOVE IF WE HOLD A GUN TO THEIR HEADS, AND THEY WILL ONLY DIG IN THEIR HEELS.

/ MY COLLEAGUES

MY COLLEAGUES ALSO KNOW THAT, HAVING REJECTED
IN NASSAU THE IDEA OF MAJOR TRADE OR ECONOMIC
SANCTIONS, WE IN BRITAIN WILL NOT GO DOWN
THAT ROAD IN THE FUTURE.

THE IMPORTANT THING NOW IS TO OPEN CONTACTS BETWEEN THE
COMMONWEALTH AND THE SOUTH AFRICAN GOVERNMENT
TO TRY TO HELP THAT FORMER MEMBER OF THE
COMMONWEALTH TO RECONCILE ITS MANY RACES.

/ I AM NATURALLY

I AM NATURALLY VERY PLEASED THAT THE COMMONWEALTH HAS
EVENTUALLY BEEN PERSUADED TO ADOPT A
POSITIVE APPROACH TO THE VERY DIFFICULT
PROBLEM THAT SOUTH AFRICA POSES.
AND I WOULD LIKE TO THANK PARTICULARLY
RAJIV GANDHI AND BRIAN MULRONEY FOR THEIR
HELP THIS WEEKEND.

THE ONLY BENEFICIARIES OF A FAILURE TO AGREE THIS WEEKEND
WOULD HAVE BEEN APARTHEID, ITS SUPPORTERS AND
MEN OF VIOLENCE.

THE WAY FORWARD MUST NOW BE DISCUSSION, DIALOGUE
NEGOTIATION AND PEACEFUL CHANGE.
IF WE CAN ACHIEVE ALL THAT, NASSAU WILL LONG
BE REMEMBERED AS A LANDMARK IN THE HISTORY OF THE
COMMONWEALTH.

AWKWARD QUESTIONS

1. You have in fact gone further down the road of sanctions - why did you hold out so long on Krugerrands? And won't the fact of withdrawing Government support for trade missions to South Africa hit our exporters, do nothing to hit South African industry and do everything to help our competitors?
2. Is not the action on Krugerrands purely symbolic? And won't it simply benefit Canada and other gold producers like the Soviet Union?
3. You have clearly bowed to pressure on sanctions - how can you say you have resisted being drawn further down that road and why should South Africa not suspect that you go down it further after six months?
4. Who are the eminent persons going to be - Prime Minister's, Foreign Secretaries, or other figures - eg. Ted Heath? Will you go to South Africa yourself if invited to join the group? Or will you agree Sir Geoffrey should go? What is the timetable - when do you expect talks with South Africa to start?
5. Have you any indication of the attitude of the South African Government to what it might regard as Commonwealth interference? Have you/has the Commonwealth been in touch with Botha to get him to react positively to the initiative?
6. Why should this contact group work any better than the wholly unsuccessful Namibia contact group has worked so far?
7. What confidence can you have in violence ending when the talking starts with Mr. Mugabe, among others, apparently supporting the cause of armed struggle?
8. Who will represent the South African blacks in any talks, Will you recognise the ANC? Will you be prepared - or will you allow your representatives - to sit down with the ANC?

9. What was the biggest sticking point this weekend? ^{making} Sanctions? The "end to violence" passage? Or the problem of / a list of eminent personages?

10. How will the South African Government be informed of the conclusions of this Conference?

11. Has this weekend restored your faith in the Commonwealth?

12. Is not this merely a temporary "fix" of the South African problem?

13. Won't the real crunch come in six months' time when South Africa, by definition will not have moved as far or as fast as black Africa/^{wants} when she and you will come under renewed sanctions pressure.

14. Does not the execution of Moloise show South Africa's complete contempt for the Commonwealth? So why expect South Africa to welcome Nassau with open arms?

15. When is a sanction not a sanction? When does a sanction become a measure and are sanctions and measures both signals?



POSSIBLE ADDITIONAL MEASURES

1. No government funding for trade missions to South Africa or for participation in exhibitions or trade fairs in South Africa.
2. An embargo on government loans to the South African Government.
3. An embargo on purchase of South Africa and Namibian Uranium.
4. The abrogation of the UK/South African Double Taxation Agreement.
5. The introduction of a visa requirement for South African nationals visiting Britain.



3. Ban on purchase of South African and Namibian Uranium

- An important consideration procurement of Uranium by CEGB .
- CEGB have had contract for procurement of uranium from Rossing Mine (Namibia). Contract now ended and CEGB have sufficient stocks and assured supplies for next few years.
- But they are proposing to sign further small contract soon for supplies from 1988. This would be caught.

NOTE.i) Rossing mine is partially owned by RTZ. The company would suffer loss, especially as other important users of uranium eg. Japan may follow suit.

ii) Rossing makes the biggest single contribution to Namibia's exports, and is a major employer.



4. Abrogation of Double Taxation Agreement

- Could not be implemented quickly (abrogation requires notice of termination - effective only in 1987).
- Cost to UK taxpayers with South African holdings likely to be higher than to South Africans with UK holdings. Cost to UK taxpayers perhaps *100 million per year.
- Also small exchequer cost.
- Complete severance would also require Finance Bill legislation to stop eligibility for unilateral relief against UK tax of South African tax paid and South African income by UK taxpayers.



5. Visas

- Procedurally no problem: amendment to the Immigration Rules, subject to negative resolution in Parliament (recent example: Sri Lanka)
- Butⁿ: would create huge additional administrative burden. In 1984 130,000 SA passport holders admitted to UK. More than double the number from any country whose citizens currently require a visa.
- Direct costs: estimate: £500,000 a year, including some 74 new staff in South Africa, and some further manpower in London.
- Difficulties would arise from large numbers of South Africans travelling to UK who may have right of abode in UK. Cannot be required to have a visa.
- Given volume of movement, family ties, etc. considerable domestic political difficulties.