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Foreign and Commonwealth Office

London SW1A 2AH

1 November 1985

Dear Charles,

CD 1/11

CHOGM: South Africa: Mr Gandhi

Although there was a tendency in the Indian press reporting of CHOGM to portray Britain as intransigent and pro-South African, and although the Indian Prime Minister's general line in New York did not much commend itself, it is only fair to record that he appears to have gone out of his way to try to correct this impression and to take a moderate and conciliatory line in his public statements.

I enclose a copy of New Delhi saving telno 2 which reports Mr Gandhi has having said after CHOGM that the Prime Minister was "very cooperative and we have got a document that everyone is happy with"; he also apparently said that the reported difference between the Prime Minister and other Commonwealth leaders "is something the Press, the media built up. Mrs Thatcher was right with us in demanding the repeal of the apartheid laws and she has been with us right through this exercise". The High Commissioner commented that Mr Gandhi's remarks about the Prime Minister's role demonstrated to some degree the success of his visit to London.

Yours ever,

Peter Ricketts

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SAVING TELEGRAM

BY BAG

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FM NEW DELHI

TO SAVING FCO TELNO 2 OF 25 OCTOBER 1985

AND TO SAVING PRETORIA, ADDIS ABABA, HARARE, WASHINGTON,
UKMIS NEW YORK, CANBERRA, OTTAWA

CHOGM : SOUTH AFRICA : INDIAN PRESS COVERAGE

SUMMARY

1. General Indian press reporting of CHOGM portrayed Britain as intransigent and pro South African. Some statements by Gandhi correcting this impression were reported, although remarks attributed to the Prime Minister about shifting "a tiny little bit" attracted local criticism. Editorial comment considers the Commonwealth did well to achieve a consensus, though it is unlikely to influence the South African Government. Commonwealth determination to follow up the Accord in six months is highlighted.

DETAIL

2. The Indian press understandably sought to maximise Gandhi's role in mobilising support on behalf of the NAM for comprehensive mandatory sanctions. There was also a marked tendency to point to Britain's isolation, characterised as exciting "bafflement" and later anger.

3. The Indian press showed some understanding of the UK's position, and mention was made both of measures already in force against South Africa and the potential impact on employment in the UK. There was recognition that Britain had a major economic stake in South Africa. But the Prime Minister was criticised for giving the impression that she was in reality sympathetic to the South African Government. The Prime Minister's comment that she had "shifted a tiny little bit" because "it is worth paying some price to get an agreement and to keep the Commonwealth together" attracted unfavourable editorial comment, which contrasted her "sense of triumph at the feeble outcome" with the "quite extraordinary lengths to which Rajiv Gandhi seems to have gone to defend her position".

4. Gandhi was portrayed as having played a leading role in achieving the Commonwealth Accord, particularly as a member of "the Ginger Group" comprising India, Canada, Australia, Zambia and Zimbabwe. In meetings lasting over five hours on 21 October Gandhi and Mulroney are credited with having finally persuaded the Prime Minister to relent, to preserve Commonwealth solidarity. Mr Hawke was given a good press, particularly for seeking a way forward by proposing the panel of eminent Commonwealth persons.

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(Gandhi has accepted an invitation to visit Australia in February.)

5. Gandhi's own statements to the press, when reported directly, were very much more moderate than the tenor of general reporting. On arrival he is reported as saying that while the overwhelming majority of Commonwealth leaders favoured strong action against South Africa, they were not in the mood for confrontation. The issue would be resolved through discussion. At a press conference after issue of the Accord, Gandhi is reported as saying that the Prime Minister was "very cooperative and we have got a document that everyone is happy with". The reported differences between the Prime Minister and other Commonwealth leaders "is something the press, the media built up. Mrs Thatcher was right with us in demanding the repeal of apartheid laws and she has been with us right through this exercise".

6. Editorial comment is divided. The Hindustan Times ("Handling Pretoria") takes a moderately positive line, noting the Commonwealth's determination to follow up its declaration, and the intention to play a direct role in trying to initiate a dialogue. Gandhi's negotiating skills are praised. Other editorials take the line that the Commonwealth has papered over deep cracks (eg Times of India "Commonwealth Compromise"; Statesman "Price of Unity"; Indian Express "Lowest Common Factor"; Patriot "Far From Enough"). They note that the recommendations for further action will not be binding. The mere fact of the declaration represents an advance in the campaign against apartheid. Yet it is not expected much to influence the South African Government (copies of editorials to SAfD and SAD).

COMMENT

7. Sensing the possibility of a major row, the Indian press predictably covered the discussion of South Africa enthusiastically, putting Britain in the dock as often as possible. Despite the tenor of his opening speech, Gandhi came over as a moderate seeking an acceptable compromise rather than the counsel for the prosecution. His remarks about the Prime Minister's role demonstrated to some degree the success of his visit to London.

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MRS THATCHER, Britain, said she was reminded very much of a day in 1979 when, as a new Prime Minister, she had arrived at the Commonwealth Conference in Lusaka. Some of those present might remember it. They had been faced with a debate on Rhodesia and her future. Mandatory sanctions with full Security Council support had been applied for twelve years and had not worked; they never did. President Kenneth Kaunda had been in the Chair at Lusaka and had opened the debate. She had heard very similar speeches to those which she had heard that morning; some of them were full of vengeance and hatred, maintaining that negotiation was not the answer. She had heard them all. She had remembered her mother's advice that if you ever wanted to reply blow for blow it was best just to swallow your words, because you fought better that way. The same thing had been heard in Lusaka in the sermon in church and even in the prayers, and she had quietly listened and said nothing until it came to her turn. Then the British had put forward at the meeting the proposals that she and Lord Carrington had worked out; proposals for negotiation. At Lusaka they did negotiate, they did try reconciliation, Britain had been in charge and as a result of that, Mr. Mugabe was at the present Meeting. She did not think that was a bad record, and it was a record from which she started at the Meeting. She wanted to make one thing absolutely clear: she hated apartheid as much of everyone else for one fundamental reason: it was wrong. However people were judged, it could not be on the colour of their skin. They might be judged by their ability or their qualifications; they might have certain rights according to their property, but it could not be based on the colour of their skin. That was not in doubt. She thought it was important to get that absolutely clear from the beginning.

The central task at the meeting was to decide how the Commonwealth could help to achieve the goal of bringing about fundamental change in South Africa, to get rid of apartheid and to do it at the earliest possible date. She could understand the impatience felt at the Meeting, because apartheid had persisted for a long time; and impatience was felt obviously even more keenly by the black people of South Africa. She recognised that, and agreed that they could not afford to have failure at the Meeting. They must reach some positive conclusions which helped to advance matters in South Africa, just as they had reached positive conclusions in Lusaka which in fact solved the problem there, because they had kept the main objective before them. They had not invaded, or made speeches against the Rhodesian system. If she wished, she could make speeches about some of the things happening in London but it would not help. They had one task before them which she begged Heads of Government to consider: the steps to be taken to get rid of the apartheid system and to do it as quickly as possible.

She had listened to what her colleagues had said about what was happening in South Africa. She had heard them discount almost everything that had happened. South Africa was an

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extremely powerful, successful economic system. She, like Mr. Hawke, would wish that South Africa's economic success should be inherited by a government representing all the people in South Africa. She did not wish to destroy it. Her reading of people was that they not only wanted political freedom, which was their fundamental right, they wanted a higher standard of living, and that was undoubtedly the case in South Africa. She supported Mr. Hawke in saying they wanted both political freedom and the economic success which South Africa has achieved.

Some important steps had been taken by the government in South Africa in recent months and it would not be helpful to ignore them. She knew that they were not enough but they had seen more movement in the last year than for a long time. Some might say it was not before time, but they had seen the repeal of the Mixed Marriages Act and Section 16 of the Immorality Act, they had seen job reservation removed, they had seen forced removals ended, they had seen the phasing out of the pass laws which was now in hand. Common citizenship for all South Africans was to be restored and the South African Government had said it was prepared to share decision-making with all other communities.

Of course, those steps were not enough but it was important not to ignore that things were on the move.

When she had travelled to Lusaka in 1979 there was the feeling that the time had come to begin negotiations. She felt equally that the time had come in relation to South Africa, but she had to be frank, in her view the way forward was by negotiation. That was the way which had succeeded in the past and she hoped and believed that it would not be rejected by that great Meeting.

She believed that the single most important step was quite clear - as a number of colleagues understood because they had said so to her - namely, the achievement of a political dialogue or discussion between the South African Government and the representatives of the black community. Dialogue or discussion which led to the full participation of blacks in the process of government was vital, but if a political dialogue was to start, then all black South Africans should commit themselves to pursue their objectives by negotiation.

She hoped that a call would go out from that Conference urging dialogue. Her purpose was to bring about that dialogue between the Government of South Africa and black South Africans. They could not say themselves who should be involved in dialogue. It would not be easy to decide because many would want to be involved. South Africa was a very diverse community. It was not a question of one or two personalities. It was not for Britain, the previous colonial power, to say who might be involved in negotiations.

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It was not for that Conference to say who should be involved. It was for the South African people to choose who they wanted to negotiate on their own behalf. No amount of speeches would achieve that result unless they considered what action to take. Nor could one tell what would happen as a result of negotiations.

The experience at Lancaster House was instructive. But what structure would emerge from talks could not be foretold. The rest of Africa had a highly complex political structure. They had to take into account different tribal groupings and she suspected that they would have to do the same in South Africa. It was not for the Conference to say what the final structure should be in South Africa but they were not going to get the end all desired unless and until dialogue began in that country.

That was the first point to which they must address themselves and not be deflected by anything else, however strongly they might feel.

Once negotiations started, it was necessary that violence should cease. Yes, it was true she had had to deal with terrorism in Rhodesia. Yes, it was true she had had to deal with terrorism at home. Yes, some 2,000 people had lost lives due to the IRA campaign, people who had all civil and material rights; but that did not end terrorism, it did not end crime, it did not end resentment. She could only suggest that once those negotiations started between the Government of South Africa and representatives of the black people of South Africa, violence should cease, because at present there were many who wished to co-operate and negotiate but dared not do so. She need hardly say that where there existed violence, there existed also those who used violence to intimidate moderate people away from negotiations. That was a reality and unless violence ceased once those negotiations commenced it would be difficult to get the requisite co-operation.

She was convinced that people within South Africa realised they had reached a watershed. She thought that the situation was far more promising now for a solution of the kind all desired than it was two years ago; far more promising, for there did come a propitious time in the events of men and nations, and she believed that change was now inevitable. It would happen. She believed that there were positive ways in which the Commonwealth could help.

She had listened to what Mr. Hawke had said: it had been a very constructive speech. She was trying to be as constructive now as in 1979 when they had achieved their objective. She believed he was on the right path but it was necessary to promote dialogue. The question, therefore, was how they could help to get that dialogue going to assist in a constructive way to help matters forward. Mr. Hawke had put forward the suggestion

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that they should have a Liaison Group. She thought they should pursue that proposal during their weekend discussions, which was exactly how matters were pursued at the Meeting in Lusaka. It was during that weekend discussion in Lusaka that they had worked out the way forward, and it was necessary to follow that method.

She felt a Liaison Group could talk to President Botha and the South African Government in a very constructive way so as to explore how the Commonwealth could help.

She felt that the psychology of talking to that government was extremely important. Everyone knew that they were great pioneers. They were a very proud people and all her instincts told her that any approach on the basis of "co-operate or else" would immediately raise their hackles and their defences would rise and they would choose the "or else". Sometimes when people used similar tactics with her saying they would cut off certain ties they found it to be counterproductive, for she would not be threatened or influenced by that any more than the black South Africans were intimidated by oppression, it did not diminish their spirit. So threats did not deter people from doing what they believed was right.

She believed in following Mr. Hawke's way. They should offer constructive help and ideas which could stimulate a dialogue. That is what everyone desired. There were those who said - it had been reflected in the previous days's debate - that there were not enough black South Africans sufficiently equipped by experience or qualification to take part in government. She could only stress that the advances made by black South Africans were very considerable indeed. Many thousands of black South Africans now matriculated, which was the first major step in education. There were 100,000 professionally qualified black South African women, as many as in the rest of Africa put together. There was a very strong middle income group and to some extent quite a rich income group. There were very strong professional qualifications. It was not that these people wanted patronising, they did not. It was that they were very able and had not been able to take part in the politics of government. If colleagues thought that more training was required, more university courses needed, more opportunities, then it would be very constructive if, in addition to setting up the group Mr. Bob Hawke suggested, consideration could be given to providing practical financial help for university courses in what could be called a 'Commonwealth Programme for a non-racial South Africa'.

It had been argued that no positive proposals would help unless there were economic sanctions against South Africa. Economic sanctions had been imposed against Rhodesia for twelve years but they did not work. The reason had been highlighted by

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Dr. Mahathir: despite some countries imposing sanctions on all exports and imports, goods would get to South Africa via third countries. Sanctions had never worked effectively in history and it was necessary to keep in mind the psychological factors in South Africa. Sanctions would not work; and they would be totally non-selective in so far as they did work. They would bring about every more chaos and bloodshed than the present bloodshed which all wished to diminish.

The Commonwealth should not have a dialogue and then wash its hands of South Africa. They should review the progress of dialogue well before the next CHOGM. She was convinced, however, that sanctions would not work. Speakers had referred to actions that had been taken and called them sanctions; there was only one that that was technically a sanction and that was the action under the resolution of the Security Council which imposed the arms embargo against South Africa. Britain adhered to it resolutely and absolutely. She was aware that some armaments nevertheless did get through, they always did, but technically the arms embargo was a sanction while the others could best be described as signals.

Yes, Britain had given signals to the South African Government. The measures of the United States were more in the nature of signals apart from the arms embargo. Britain had also given quite a lot of signals. It had no arms sales to South Africa, which was a sanction; it had no defence co-operation; it had no nuclear co-operation for the very good reason that it was not possible to have nuclear co-operation with a regime of that kind. Britain did not export directly crude oil from the North Sea, but that was not a sanction, it was a signal, it was a policy. Britain did not have cultural contacts with the present regime; it did not supply computer equipment for the security forces. When South Africa had been in difficulty because it could not meet her debts and had sent the Governor of her Central Bank to Western capitals, Britain had not given any loans to the South African Government, and neither had the United States. She wondered how many of Britain critics could match that list. They were mostly signals, that was what most other countries had sent because they had not believed that in practice sanctions would work and they believed they might be harmful. It was not just a formality, it was real action.

She thought that economic sanctions would be a blow to those who had worked in South Africa, she was in touch with many of those who had worked against apartheid and who had worked for change over many, many years. It would be a blow to all of those industries which had been in the forefront of efforts to end apartheid because it was in fact industry that was gradually breaking down apartheid, giving black people greater opportunities

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by getting rid of job reservation and training them to be engineers and be managers. She warned against giving a fatal blow to those who were working for all of South Africa. It might be asked what was bringing about that change in South Africa. First, it was a knowledge that the regime could not help but change, a feeling also reflected back from the outside world. It was also the judgement that the market place - and none could ignore the market places of the world - had made on that regime. Those who had investments had made the judgements that the regime was not stable, that there would not be a reasonable return for their money and therefore they would not invest. Even when there was another regime, the market place would still look at it and regardless of whether it was black or white or anything else, it would ask: is this new regime stable; what sort of economic regime is it going to have, shall we get a decent return for our money if we invest there? That was how it would look at a new regime because that was how outside investment looked at any regime - would it be able to get its money out; would it be stable? That was the judgement the market place had made and, in her view, the market place had said that the regime was not stable and the South Africans knew that: they knew they had not been able to meet their debts on time; they knew that things must change. That action of change had been induced by the regime in South Africa not by other governments telling it what it had to do; and that was infinitely more telling, coupled with the signals that had been sent and with public opinion, because public opinion was very powerful indeed.

Sanctions would be, and would seem to be, very damaging to achieving the results that were desired. The example of previous occasions had been through the route of negotiation. That could be coupled with help in universities and training and perhaps with help in other areas of constitutional structures to be laid before those responsible for the dialogue had come to conclusions. Her message to that Conference was: "Yes, I understand the resentment, I would feel it and articulate it, but when we have spoken, let us get down to how we can bring that regime to an end and how we can have a system with all peoples in South Africa taking part in the government of South Africa, for which purpose there has to be a dialogue between the present government and the black South Africans and then a constitutional convention or settlement. Our purpose is to consider how we can help to bring that about."

She said she supported Mr. Hawke's proposal that they study the possibilities at the Retreat, If extra programmes were needed for university training, Britain would do its part. It was her hope that negotiation would emerge from that Meeting, a quiet determination, and that it would historically turn out to be as successful as the Meeting in Lusaka in 1979.

Commonwealth Meeting

3.31 pm

The Prime Minister (Mrs. Margaret Thatcher): I will, with permission, Mr. Speaker, make a brief statement on my visits to Nassau for the Commonwealth Heads of Government meeting from 16-22 October, and to New York on 23-24 October for the 40th anniversary of the United Nations. My right hon. and learned Friend the Foreign and Commonwealth Secretary accompanied me to Nassau.

I have arranged for copies of the communiqué from the Commonwealth meeting to be placed in the Library of the House.

Much of our time at that meeting was devoted to the problems of South Africa. We were unanimous in our abhorrence of apartheid, in our wish to see fundamental peaceful change in South Africa as soon as possible, and in our desire to find practical ways in which the Commonwealth could help secure that objective.

As my right hon. and learned Friend the Foreign and Commonwealth Secretary has already told the House, we reached an agreement which was endorsed by all 46 Governments attending the meeting. That agreement is set out in the Commonwealth accord on South Africa. I wish to emphasise four points from the accord.

First, we called on the South African Government to establish a dialogue with representatives of the black community with a view to establishing a non-racial and representative government. Secondly, the dialogue should be initiated in the context of a suspension of violence on all sides. Thirdly, we agreed to set up a group of eminent Commonwealth persons to encourage and facilitate dialogue. Fourthly, we agreed on a programme of common action which incorporated a number of measures which we were already taking, together with two new measures of which my right hon. and learned Friend has already informed the House.

The Commonwealth accord is a clear political signal from the united members of the Commonwealth of the need for rapid change within South Africa as well as of the need for the South African Government to end their illegal occupation of Namibia. We shall review the situation in six months' time.

The Commonwealth Heads of Government agreed on a number of other matters, including, a declaration on world order reaffirming the support of the Commonwealth for the United Nations, a welcome for the report of the Commonwealth Consultative Group on the vulnerability of small states; the need for greater co-operation both to counter the international traffic in illicit drugs and to deny to those convicted of drug trafficking the proceeds of their crime, and the need for greater co-operation to prevent and combat terrorism.

I believe that the outcome of the meeting demonstrated the capacity of the Commonwealth, despite widely varying initial views, to reach a sensible and realistic agreement acceptable to all Governments. Its rejection of violence as a way to solve the problems of South Africa is of particular importance. I believe that the outcome of the meeting is one which fully meets the interests and concerns of the United Kingdom.

I subsequently visited New York from 23 to 24 October to address the 40th anniversary session of the General Assembly of the United Nations and for meetings with

other Heads of Government. I held bilateral discussions with President Reagan, Prime Minister Craxi, Prime Minister Peres, Premier Zhao Ziyang and the Secretary-General of the United Nations. I also attended a meeting with President Reagan and the Heads of Government of Canada, the Federal Republic of Germany, Italy and Japan to discuss the forthcoming meeting of the President and Mr. Gorbachev. We expressed our support for, and confidence in, President Reagan's approach to this important meeting and we wish him well.

Mr. Neil Kinnock (Islwyn): We welcome the Prime Minister's further condemnation of apartheid in her statement, but regret that she undermines the force of her words against apartheid by saying that she is willing to take only a "tiny little bit" of action against apartheid.

The Prime Minister has spoken on previous occasions of "signals" to South Africa. Does she not realise that the inconsistency between her words and her actions signals only comfort to President Botha and those of his regime? Is she further aware that leaders of opinion in South Africa, including Desmond Tutu, reject her excuses for not imposing tougher sanctions as sophistries, and that many inside and outside South Africa agree with that estimate of her attitude?

On 25 July the right hon. Lady told the House that sanctions would be "counter-productive". Is she aware that we welcome the change in that view, which she has signified by her agreement to the Nassau accord and the way in which she belatedly recognises the failure of so-called constructive engagement strategies, and that we also welcome the usefulness of economic pressures in pursuit of peaceful change in South Africa, which she now apparently endorses?

We wish every success to the Commonwealth mission, provided, of course, that its activities are not used as a means of delaying or diminishing pressures on apartheid from outside. In order to clarify her position on the initiative, will the Prime Minister confirm that when she reviews the situation in six months' time she will be prepared to join in further action if the Commonwealth leaders on that mission judge that further pressure is required?

I gather that there is some difficulty in choosing a British representative for the Commonwealth mission. I put it to the Prime Minister that we have a number of very suitable candidates in the House and that she could usefully consider distinguished and well qualified Members, including, perhaps, those from Cardiff and Bexley. *[Interruption.]* We will settle for "useful". "Superb" would involve my right hon. Friend the Member for Leeds, East (Mr. Healey).

We hear what the Prime Minister says about the need to stop violence in South Africa, and of course we earnestly hope that that will occur, but will she tell us what she is doing to ensure that the inherent violent system of apartheid is ended, for that, in itself, is the root of all political violence in South Africa?

As for the Prime Minister's discussions with President Reagan, her statement was, to say the least, very uncommunicative. May I ask her the following questions, so that she can enlarge on what she has told us?

First, are the Americans still willing to negotiate about the arms race in space, which was agreed between Mr. Gromyko and Mr. Shultz at their February meeting in

order to set the agenda for the forthcoming summit, and does that agreement include discussion of the strategic defence initiative?

Secondly, does the Prime Minister stand by her statement in New York on 24 October:

"as I understand it there will be a further initiative before the meeting"

between President Reagan and Mr. Gorbachev on 19 November? Is that still the right hon. Lady's feeling, or was that wishful thinking, resulting from the reasonable desire which she and others have that President Reagan will announce counter-proposals before going to Geneva? Can she, in any event, confirm that President Reagan will report back to NATO after the Geneva summit?

Thirdly, is the Prime Minister aware — [HON. MEMBERS: "Come on."] The Prime Minister could have said all this in her statement if she had not made it so abrupt. Is the Prime Minister aware that while a plan to curb regional conflicts between the super-powers would be welcome, especially in respect of the middle east, that process should not distract attention, diminish effort or in any way inhibit work to secure an early agreement to stop the nuclear arms race?

Fourthly, and finally, can the Prime Minister confirm that she interprets the 1972 anti-ballistic missile treaty in the same way as Mr. Shultz and Mr. Paul Nitze, and that so-called new principles could not justify the testing of components or of sub-components of an anti-ballistic missile system?

The Prime Minister: I note that when I make a long statement the right hon. Gentleman wants it short, and that when I make it short he wants it long. I tried to be brief in this statement. It suits me very well when the statement is briefer than the questions.

As regards sanctions, as the right hon. Gentleman knows, the Labour Government were absolutely against far-reaching economic sanctions. Indeed, they said in 1978 — [AN HON. MEMBER: "That was the right hon. Member for Plymouth, Devonport (Dr. Owen)."] No, it was not. The hon. Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) said:

"We voted against" —
the sanctions —
"together with France, West Germany, the USA and some other Western countries because we do not agree that the far-reaching economic measures which the resolution calls for would produce the changes in South Africa which we would all like to see." — [Official Report, 16 January 1978; Vol. 942, c. 9.]
We wholly agree. That is why we are fully against —

Mr. D. N. Campbell-Savours (Workington): That was never Labour party policy.

The Prime Minister: That was stated from this Box — not by the right hon. Member for Plymouth, Devonport (Dr. Owen) — on 16 January 1978 as official Labour party policy, even if the hon. Gentleman does not like it.

The only strict sanction that we are operating at the moment is the one against armaments, in accordance with the mandatory resolution of the Security Council, which we have been operating for some time. The others are not strictly sanctions. They are a number of unilateral measures, that we have been taking for some time, concerning such things as add-on computers, new nuclear contracts, and so on. The only two small ones are on krugerrands, where we have agreed to do all that we can,

because there are legal limitations, to stop their importation — the import is very small indeed — and to stop new grants from taxpayers' money for trade missions to South Africa.

Several eminent persons are under consideration for the mission to which I referred. I am sure that the right hon. Gentleman will be able to add to the list which he has already provided.

I was pleased to hear what the right hon. Gentleman said about stopping violence and that all his hon. Friends want the violence to stop. That is not what I thought he was saying, as he appears to support Mr. Tambo, and what Mr. Tambo has said:

"The ANC will go to every conceivable length to destroy the apartheid system in South Africa. The escalated armed struggle cannot avoid the use of guns."

I understand that the right hon. Gentleman totally and utterly rejects that statement, and I am delighted to hear it.

As regards the talks in New York, the SDI research, as the right hon. Gentleman knows, is outside the anti-ballistic missile treaty. I do not believe that the Americans will negotiate on research. There is no way, as the right hon. Gentleman should know, in which one can verify what research is going on. I think, therefore, that research on both sides of the strategic defence initiative — because a good deal is being carried out on the Soviet side — will continue and will not be bargainable in these talks.

As regards the new possible initiative, the United States put forward proposals at Geneva in the talks on strategic arms reduction for radical reductions in ballistic missile warheads — a cut of nearly 50 per cent. in the current Soviet level. That was put down in the spring. Those proposals, together with a look at the new Gorbachev proposals, will, I believe, give rise to new initiatives before the talks are actually started.

President Reagan has said that he will come to Nato to tell us the results of the talks after they had taken place, so that he will have consulted both before and after them. Regional conflicts will, I believe, be on the agenda, but, as the right hon. Gentleman knows, it is not easy to find solutions to the middle east conflict.

Mr. Julian Amery (Brighton, Pavilion): Will my right hon. Friend rub in still further to the Leader of the Opposition the message that whatever the shortcomings of the South African Government, President Botha has done more to reform and to roll back or contain the Soviet interference on the northern borders than the Governments of South Africa with whom the Labour party was happy to work? Will she confirm that while arms control is essential, the regional problems of Angola, Afghanistan, Cambodia and Nicaragua have been the main cause of the arms race over the past few years, and that it is essential that the Soviet Union should realise this?

The Prime Minister: I agree with my right hon. Friend that the South African Government have taken more steps than were taken by any of their predecessors to start the process of dismantling apartheid. A considerable number of measures have been taken — the Mixed Marriages Act and section 16 of the Immorality Act have been repealed, almost all job reservations have been removed and forced removals have been suspended, the abolition of influx control and pass laws has been recommended to the President by his advisory council, and a common

[The Prime Minister]

citizenship for all South Africans has been restored. These are considerable steps towards the process of removing apartheid—a process which will need to continue, and to which the dialogue is directed.

I agree that, as well as arms control, it is vital that some trouble spots in the world, including Afghanistan—which is illegally occupied—central America and other part parts of the world, and the presence of Cuban troops in Africa must be discussed at the summit because that are manifestations of the difference of approach between the Soviet Union and the United States.

Dr. David Owen (Plymouth, Devonport): In the light of the talks with President Reagan, will the Prime Minister give a sign of the British attitude on two specific aspects of the anti-ballistic missile treaty? First, do we believe that the nine technology demonstrations planned as part of the strategic defence initiative programme in the United States are outlined by the treaty? Secondly, do we believe that the Soviet Union is in breach of the ABM treaty because of its radar installations?

The Prime Minister: We believe in what is known as the more conventional interpretation of the treaty, which includes most, although not all, of the testing. There have been suggestions that certain actions are not in compliance with the treaty. These actions probably fall into two kinds—those which may be genuine non-compliance, and those which result from an ambiguity of the wording of the treaty. The treaty provides a way to sort out those problems, because machinery exists, in the standing consultative commission on the treaty, for the United States and the Soviet Union to discuss implementation of the ABM treaty. That appears to be the right place to discuss compliance if there are suggestions that the treaty is not being complied with.

Sir Julian Ridsdale (Harwich): Was there any discussion at the Commonwealth Heads of Government meeting on helping the developing world by joint ventures such as that between France, Japan and ourselves in Sri Lanka? Would not one way to help the developing world be such joint ventures, and would they not help the expansion of world trade and be an indirect way of helping to improve our balance of trade with Japan?

The Prime Minister: As my hon. Friend is very much aware, aid projects, particularly big ones involving capital aid, are frequently joint ventures between two or three countries, each one setting its own aid and trade provisions and making provision for the requisite interest rate. We already have joint projects, greatly to the advantage of projects in developing countries. Sri Lanka is a particular example.

Mr. Tom Clarke (Monklands, West): Is the Prime Minister aware that during her absence the Palace of Westminster witnessed the biggest lobby in its history on overseas aid? Does she not therefore regret that the matter was barely discussed—if it was discussed at all—at the Commonwealth conference, and, still more, that at the United Nations she was unable to confirm that Britain is on course to achieve its meagre target because Britain has slipped in the international league table on account of the reductions since 1979?

The Prime Minister: The United Kingdom aid programme, at 0.33 per cent. of GDP, is close to the OECD average, which is 0.36 per cent. of GDP. To that has to be added the considerable private flows. Taking the official and private flows together, the United Kingdom figure is 1.25 per cent. of GNP, which is well above the United Nations target of 1 per cent.

Mr. Tony Banks (Newham, North-West): Not enough.

The Prime Minister: If the hon. Gentleman would like more aid to be provided, and I am the first to understand the reasons why, we have to look at our other expenditure. We cannot spend money over and over again, because the taxpayer is expected to cough up every time. Therefore, I suggest that we should look at what else we can spend less on if we wish to spend more on aid.

Mr. Dennis Walters (Westbury): Can my right hon. Friend say a little more about the talks in New York which touched on the middle east? Does she accept that there is widespread support for her recent effort to try to break the log-jam and make progress? Will she persevere in those efforts, which rightly included the need for a Palestinian voice?

The Prime Minister: I do not think that the case for a Palestinian voice is in dispute. It is who should represent that voice that is in dispute. As my hon. Friend knows, we tried to take an initiative and there was a carefully measured statement. We do not accept violence as a means of pursuing a political end. Unfortunately, the Jordanian-Palestinian delegation was not seen by my right hon. and learned Friend the Foreign Secretary, for very good reasons. The understanding on which the meeting was set up was not a statement that they were prepared to make. Nevertheless, we must persist in trying to get a settlement of the middle east problem. The United States, Jordan and Prime Minister Peres understand that before negotiations can start there must be a framework of international support. The precise framework is the subject at the moment of many discussions.

Mr. Stuart Holland (Vauxhall): The Prime Minister is surely aware that to include private flow figures is a smokescreen in relation to the overall aid programme; that the average figures for the OECD disguise the fact that Britain, in terms of aid per head, is 12th among the OECD countries and is giving half that which is given by most Scandinavian countries, and only a quarter of that which is given by Norway. Does the Prime Minister realise that if she, with other Heads of Government, were to achieve the 0.7 per cent. target it could create 2 million jobs in the OECD countries, many of which would come to the United Kingdom? When will she set at least a teeny-weeny target, such as increasing aid from 0.33 to 0.35 per cent. of GNP, so that we can have some indication that aid will go up rather than down?

The Prime Minister: I do not accept the hon. Gentleman's premise that we should not also look at private flows. Many Heads of Government are prepared and anxious to get more private capital into those countries because they wish to develop their resources. If the Opposition would like more money to be spent on aid, as many people would, they must not spend money at the same time on other things. If expenditure at home on social security goes up and up, what can be spent on giving help

abroad will not be sufficient. Therefore, the Opposition should look at expenditure at home if they wish to change the balance.

Sir William Clark (Croydon, South): I appreciate that the summit meeting dealt mainly with South Africa and apartheid, but can my right hon. Friend say how much time was spent discussing the lack of freedom and the compulsory absence of Opposition parties in newly independent African countries? Does she agree that at future Commonwealth summit meetings this matter should be fully discussed by our partners?

The Prime Minister: In the views that I took up on a number of matters, I was very conscious of the fact that not every Commonwealth country was a perfect example of democracy. I suspect that others were also conscious of that.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Prime Minister aware that the clear political signal that she sent to South Africa with her talk of "tiny measures" shows basically that she believes in the appeasement of the apartheid regime in South Africa, in much the same way as Neville Chamberlain believed in the appeasement of the Nazi regime in Germany?

The Prime Minister: I believe that the apartheid system must come to an end and that through negotiation we are going the right way about bringing it to an end. I do not believe that apartheid will be brought to an end by creating unemployment in hon. Members' constituencies in this country in order to create more unemployment in South Africa.

Hon. Members: But we have it already.

Sir Fergus Montgomery (Altrincham and Sale): On the second point about the Commonwealth accord, is my right hon. Friend aware that there will be much support in this country and beyond for the part which she played in getting the agreement that there should be a suspension of violence on all sides in South Africa signed by all Commonwealth leaders?

The Prime Minister: To get full Commonwealth agreement that there should be a suspension of violence when negotiations between the South African Government and representatives of the black community start was a great advance and a significant achievement. I am delighted that we all signed it, because it has helped to achieve a general agreement.

Mr. A. J. Beith (Berwick-upon-Tweed): But why, having spent so long getting that agreement, did the Prime Minister see fit to belittle the amount of movement that she had made? In what way did that contribute to the clarity of the signal? Will her reluctance to undertake certain measures, which she eventually overcame in the wider interest, be carried through in the British attitude to the enforcement of the measures?

The Prime Minister: I think that many people there realised that sanctions would cause not only great damage to industries in South Africa but that they could be counter-productive, in that they would induce exactly the attitude that we do not wish to have. They would also have very damaging effects on the African countries which have tried to increase trade with South Africa a great deal in the last year. As some countries pointed out, they, too, have preferential trading arrangements with South Africa which

they do not wish to stop. There was a good deal more reality than would appear from some of the rhetoric. The hon. Gentleman should not lose sight of that.

Mr. Michael Latham (Rutland and Melton): When my right hon. Friend met Mr. Peres, and in subsequent diplomatic exchanges, did she congratulate him on the proposals in his speech to the General Assembly? Is she encouraging him to have direct negotiations with King Hussein?

The Prime Minister: Whether or when those direct negotiations start between the Jordanian-Palestinian delegation and representatives from Israel will depend on whether we can find an international framework within which they can take place. I do not think that it is realistic to expect them to start without that framework. Right hon. and hon. Members will be aware of the sensitivities involved.

Mr. Roy Hughes (Newport, East): How many people in South Africa must be killed by the security forces in a campaign of open ferocity before the right hon. Lady concedes to South Africans the right to defend themselves and to fight to save their lives and their freedoms? Does she not understand that apartheid is the root of violence, that violence is being committed in the name of apartheid, and that until she takes action, on behalf of this country she will be regarded as an ally of South Africa, with blood on her hands?

The Prime Minister: I do not accept the apartheid is the root of violence—[HON. MEMBERS: "Oh."]—No, I do not accept that, and nor do most other people. How, then, could one explain the total and utter violence in Uganda? I do not accept the hon. Gentleman's proposition.

Mr. John Carlisle (Luton, North): Why do Commonwealth conferences have to conclude with unanimous decisions? What was wrong with us staying in honourable isolation on the principles for which we have already fought? Is my right hon. Friend aware that now that we have taken this tiny step on the escalator of economic sanctions it will be difficult, if not impossible, to get off?

The Prime Minister: No, I do not accept that. We obtained a very good agreed result throughout the whole of the Commonwealth. It was more important to achieve that—especially the condemnation of violence and the recognition that economic sanctions would not work—than to issue a separate British statement.

Mr. Dave Nellist (Coventry, South-East): Is it not a fact that the Prime Minister's opposition to international economic action against the racist apartheid regime of South Africa has nothing to do with the 250,000 jobs which she estimates could be affected by such action? After all, she does not care a jot about the 2 million people whom she has put on the dole during the past six years. Is her opposition not precisely to do with the fact that British companies own 40 per cent. of foreign investment in South Africa? Did not Consolidated Gold Fields make £115 million profit last year through paying black miners £21 a week? It is profit, not jobs, that has dictated the right hon. Lady's action.

The Prime Minister: The hon. Gentleman should be very much aware that industry has been in the forefront of

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breaking down apartheid. The standard of living of black Africans in South Africa often exceeds the standard of living of those in other countries in sub-Saharan Africa. South Africa is a strong economy, and the gold miners to whom the hon. Gentleman referred refused to strike.

Mr. Nellist: No, they did not. They were beaten into submission.

The Prime Minister: Many black people in South Africa have a high standard of education and culture, and it is rising every day. Therefore, that is not the problem—it is that they do not have a proper right to take part in government. That is what we are trying to rectify.

Mr. Ian Lloyd (Havant): I congratulate my right hon. Friend on the realism and courage that she has displayed, not only in Nassau, but in the House this afternoon, in defence of an evolutionary, non-violent retreat from the tragedy that apartheid has inflicted on South Africa.

When the other Heads of State in Nassau were attempting to forge the weapon of nuclear condemnation, were they at any stage aware that they were providing the world with the most vivid illustration that it has had in two millennia of the wisdom of the parable of the beam and the mote?

The Prime Minister: I congratulate my hon. Friend on his question. He has made all his points very forcefully indeed.

Mr. Jeff Rooker (Birmingham, Perry Barr): In view of the unanimous call of the Commonwealth Heads of State to the South African Government not to execute Daniel Moloise, has the right hon. Lady changed her mind about capital punishment, or is it simply that she says one thing abroad but votes another way in this House?

The Prime Minister: No, I have not changed my mind. Some of the Commonwealth Heads who put their names to that motion have capital punishment in their countries for crimes far less serious than murder—for example, for dealing in drugs.

Sir Geoffrey Johnson Smith (Wealden): I congratulate my right hon. Friend on her efforts to achieve a fair return on British participation in the strategic defence

initiative programme, but may I ask when she expects to obtain an agreement, and when she expects to be able to announce such an agreement?

The Prime Minister: I regret that I cannot answer that, but I shall pursue the matter.

Mr. David Winnick (Walsall, North): Was it not an appropriate comment on the Prime Minister's performance at the Nassau conference that a group of the most ardent supporters of the South African regime marched to a number of embassies, and when they reached the British embassy raised three cheers for the right hon. Lady?

Is the right hon. Lady aware that for more than 70 years the African National Congress has tried to avoid violence, but, faced with the violence of the regime and the denial of basic political human rights, it reached the conclusion that there was no alternative? Would it not help matters if the Prime Minister later today listened to the evidence being given to the Select Committee on Foreign Affairs by Mr. Oliver Tambo?

The Prime Minister: No, and I hope that the hon. Gentleman will listen to many other black South Africans who do not want sanctions and utterly deplore violence. I very much regret that Chief Buthelezi is not receiving him, but many of us have seen him.

Mr. Andrew MacKay (Berkshire, East): Does my right hon. Friend recall that prior to the Nassau summit Opposition Members were gloatingly predicting that the thorny question of South Africa would lead to the break-up of the Commonwealth? Has that not proved to be far from true? Has not the agreement signed by every Commonwealth state proved to be a major diplomatic success for this country and this Government?

The Prime Minister: Yes, it was a major success, both for the content of the accord, and for the wisdom of going for the path of negotiation rather than violence, and keeping the Commonwealth together. Many Heads of State were pleased that the question of sanctions did not go any further, especially as some countries have preferential trade treaties with South Africa.

Several Hon. Members rose—

Mr. Speaker: Order. We have two other very important statements to follow.