

*c/Foreign/Sanctions*

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*bc PC*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

16 February 1990

**ACTION ON SANCTIONS FOLLOWING  
RECENT SOUTH AFRICAN GOVERNMENT INITIATIVES**

The Prime Minister has seen the letter from Martin Stanley with the Trade and Industry Secretary's suggestion that we should restore BOTB funding for trade missions and groups going to trade fairs in South Africa. While well disposed towards the idea, she has asked whether this is something on which we need to consult our EC partners.

I am copying this letter to Martin Stanley (Department of Trade and Industry), John Gieve (H.M. Treasury) and Sonia Phippard (Cabinet Office).

(CHARLES POWELL)

R.N. Peirce, Esq.,  
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

16 February 1990

John Martin

CD 15/2

Financial Support for the United Kingdom South Africa  
Trade Association (UKSATA)

I enclose a minute from the Foreign Secretary to Mr Ridley agreeing with the proposal to grant BOTB funding to UKSATA for the 1990/91 financial year.

As you know, our proposal to lift the "ban" on new investment in South Africa has been controversial here. We can expect further controversy next week, when the issue is discussed by EC Foreign Ministers in Dublin on 20 February. If news of our intention to grant BOTB funding to UKSATA were to leak at about the same time, it could make the whole issue more difficult to handle. The Foreign Secretary therefore hopes that Mr Ridley might wait to inform BOTB until a few days after the Dublin meeting.

I am copying this letter to Charles Powell (No 10) and Sonia Phippard (Cabinet Office).

John  
Stephen Wall

(J S Wall)  
Private Secretary

Martin Stanley Esq  
PS/Secretary of State for Trade  
and Industry

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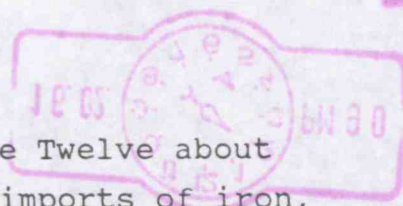
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SECRETARY OF STATE FOR TRADE AND INDUSTRY

Financial Support for the United Kingdom South Africa  
Trade Association (UKSATA)

1. Thank you for your letter of 31 January in which you propose to grant BOTB funding to UKSATA for the 1990/91 financial year.
2. As you know, we have always accepted that such funding would be defensible on legal and technical grounds. Our objection in previous years has been based on political factors: specifically the need to avoid giving critics of our South African policy a stick with which to beat us, when we had relatively little to show by way of results for our opposition to sanctions.
3. Since you wrote, President de Klerk has made far-reaching moves towards opening negotiations leading to the end of apartheid. There is no longer any political reason to delay BOTB funding to UKSATA and I agree that it should be welcomed.
4. I understand that no formal announcement of our grant will be made, although the news will undoubtedly leak before long. When it does, we can present our decision as part of our wider response to the more positive political climate in South Africa.

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5. We are consulting fellow members of the Twelve about lifting the bans on new investment and the imports of iron, steel and gold coins. We are pointing out that the conditions for dialogue identified in 1986 have to all intents and purposed been implemented. When the State of Emergency is finally lifted, I suggest that we also lift the block on funding of trade missions.

6. I am copying this minute to the Prime Minister and to the Cabinet Secretary.

*Douglas Hurd*

(DOUGLAS HURD)

Foreign and Commonwealth Office  
16 February 1990

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