

CONFIDENTIAL
FM CAPE TOWN EMBASSY
TO IMMEDIATE FCO
TELNO 112

ADVANCE COPY

OF 201600Z FEBRUARY 90

AND TO IMMEDIATE ODA (FOR PS/MRS CHALKER)
INFO IMMEDIATE DUBLIN (FOR SECRETARY OF STATE'S PARTY), JOHANNESBURG
INFO IMMEDIATE PRETORIA, WASHINGTON, UKMIS NEW YORK, HARARE, LUSAKA
INFO IMMEDIATE LAGOS, NAIROBI, UKREP BRUSSELS, BONN, PARIS

MY TELNO 63: MEETING WITH SISULU

1. I HAD A LONG MEETING THIS MORNING WITH WALTER SISULU, WHO HAS NOW BEEN APPOINTED CHAIRMAN OF THE INTERNAL WING OF THE ANC, AND WITH HIS PRINCIPAL DEPUTY, KATHRADA.

2. I TOLD SISULU THAT WHEN DE KLERK VISITED LONDON LAST JUNE THE PRIME MINISTER HAD URGED HIM TO RELEASE UNCONDITIONALLY MANDELA, SISULU AND THE OTHER RIVONIA TRIALLISTS (INCLUDING KATHRADA): UNBAN THE ANC, PAC AND SACP: ③ LIFT THE STATE OF EMERGENCY: REPEAL THE SEPARATE AMENITIES ACT: GET THE SOUTH AFRICAN SECURITY FORCES UNDER CONTROL: ④ STOP CROSS-BORDER RAIDS: ⑤ TERMINATE SUPPORT FOR RENAMO: THINK IN TERMS OF A FUTURE CONSTITUTION IN WHICH ALL SOUTH AFRICANS WOULD HAVE EQUAL VOTES: ⑥ AND TO SEE THE NAMIBIA INDEPENDENCE PROCESS THROUGH. SHORTLY BEFORE HIS STATEMENT TO PARLIAMENT ON 2 FEBRUARY, ON YOUR AND THE PRIME MINISTER'S INSTRUCTIONS I HAD BEEN TO SEE DE KLERK TO URGE HIM AGAIN TO TAKE THE FIRST THREE STEPS, TO REVISE THE LAW ON THE DEATH PENALTY AND TO STOP TALKING IN TERMS OF "GROUP RIGHTS" AND TO THINK INSTEAD IN TERMS OF PROTECTION FOR MINORITY RIGHTS.

3. DE KLERK HAD ASKED WHETHER, IF HE DID THESE THINGS, THERE WOULD BE A POSITIVE RESPONSE AND HE WAS TOLD THAT THERE WOULD BE, AT ANY RATE FROM BRITAIN. GIVEN THE ROLE WE HAD PLAYED IN ENCOURAGING DE KLERK TO TAKE THESE MAJOR STEPS, WE WERE BOUND TO RESPOND AND THE GOVERNMENT HAD MADE CLEAR THAT WE WOULD NO LONGER APPLY THE VOLUNTARY BANS ON NEW INVESTMENT AND TOURISM. THIS WOULD NOT OF ITSELF TRIGGER A LOT OF NEW INVESTMENT IN SOUTH AFRICA. MOST BRITISH BANKS AND COMPANIES WOULD WANT TO SEE HOW THE POLITICAL SITUATION HERE DEVELOPED AND THEY WERE ALSO VERY NERVOUS ABOUT THE POLICIES THAT MIGHT BE PURSUED BY A POST-APARTHEID GOVERNMENT IN SOUTH AFRICA. I GAVE SISULU DETAILS OF THE MEASURES THAT WOULD REMAIN IN PLACE. THE MANDATORY ARMS EMBARGO AND ASSOCIATED MILITARY SANCTIONS WOULD NOT BE LIFTED. NOR WOULD OUR BAN ON THE EXPORT OF OIL TO SOUTH AFRICA AND OTHER MEASURES. ANY

CHANGES TO THE GLENEAGLES AGREEMENTS ON SPORTING CONTACTS WOULD BE FOR DISCUSSION IN THE COMMONWEALTH. THE LIFTING OF TGE EC BANS ON THE IMPORT OF IRON AND STEEL AND KRUGERRANDS FROM SOUTH AFRICA WOULD REQUIRE AGREEMENT IN THE EUROPEAN COMMUNITY.

4. SISULU SAID THAT THESE WERE STILL EARLY DAYS AND THE GOVERNMENT AND THE ANC HAD NOT YET BEGUN TO DISCUSS THE FUNDAMENTAL ISSUE OF THE NEXT CONSTITUTION. THEREFORE INTERNATIONAL PRESSURE MUST BE MAINTAINED. AS SISULU SEEMED TO BE TALKING IN TERMS OF SELECTIVE SANCTIONS, I POINTED OUT THAT ANC POLICY WAS TO CALL FOR COMPREHENSIVE SANCTIONS AND THAT WE WERE CONVINCED THAT THIS WOULD LEAD TO ECONOMIC DISASTER NOT ONLY FOR SOUTH AFRICA BUT, ABOVE ALL, FOR THE NEIGHBOURING STATES. I DREW SISULU'S ATTENTION TO THE CONCLUSIONS OF THE WORLD BANK REPORT ON THE ECONOMIC PERFORMANCE AND PROSPECTS IN THE REST OF AFRICA AND I AM SENDING KATHRADA A COPY OF THAT REPORT.

5. I EMPHASISED TO SISULU THAT WE BELIEVED STRONGLY IN EXERTING PRESSURE ON THE SOUTH AFRICAN GOVERNMENT BUT THE WAY WE CHOSE TO EXERT IT DIFFERED TO THAT OF SOME OTHER GOVERNMENTS. MANY GOVERNMENTS PURSUED AN ESSENTIALLY DECLARATORY POLICY TOWARDS SOUTH AFRICA. WE SPENT RATHER MORE TIME THAN THEY DID ARGUING DIRECTLY WITH PRESIDENT DE KLERK AND HIS SENIOR MINISTERS. MANDELA HAD RAISED WITH US ON FRIDAY THE DETENTION OF MOKABA, PRESIDENT OF THE SOUTH AFRICAN YOUTH CONGRESS. WE HAD TAKEN THAT UP WITH THE SAG AND HE HAD SINCE BEEN RELEASED. I WANTED SISULU TO UNDERSTAND THAT HIS OWN RELEASE, AND THAT OF MANDELA, AND THE UNBANNING OF THE ANC, HAD OWED A GREAT DEAL TO THE PRESSURE THE PRIME MINISTER AND THE BRITISH GOVERNMENT HAD EXERTED. SISULU AND KATHRADA INDICATED THAT THEY DID UNDERSTAND THIS AND SO DID MANDELA AND THEY WERE VERY GRATEFUL FOR THE EFFORTS THAT HAD BEEN EXERTED ON THEIR BEHALF. KATHRADA SAID THAT HE HAD STATED PUBLICLY THAT THE PRIME MINISTER'S EFFORTS HAD CONTRIBUTED TO THESE DEVELOPMENTS AND THAT, WHILE HE DIFFERED WITH US ON ASPECTS OF OUR POLICY TOWARDS SOUTH AFRICA, HE WOULD NOT CRITICISE THE BRITISH GOVERNMENT PERSONALLY FOR THAT REASON.

6. ON THE QUESTION OF SANCTIONS, I LEFT SISULU IN NO DOUBT THAT THE VOLUNTARY BANS WOULD BE RESCINDED. THERE HAD TO BE SOME QUID PRO QUO AND SOME ENCOURAGEMENT TO DE KLERK FOR THE STEPS HE HAD NOW TAKEN. WE WERE NOT PREPARED TO TREAT DE KLERK, DOING THE RIGHT THINGS, AS IF HE WERE P W BOTHA, DOING ALL THE WRONG THINGS. IF THE SOUTH AFRICAN GOVERNMENT DID NOT GET SOME ENCOURAGEMENT FOR THE DECISIONS THEY HAD TAKEN, IT WOULD BE HARDER TO PERSUADE THEM TO GO FURTHER. SISULU SHOWED SOME UNDERSTANDING FOR THIS AND A CLEAR ACKNOWLEDGEMENT THAT

WE HAD BEEN MORE DIRECTLY INVOLVED THAN OTHERS IN OBTAINING THESE RESULTS, BUT SAID THAT HE WAS CONCERNED THAT THE BRITISH GOVERNMENT APPEARED TO BE MOUNTING A GENERAL CRUSADE AGAINST THE SANCTIONS. I SAID THAT THE EC GOVERNMENTS WOULD HAVE TO DECIDE FOR THEMSELVES WHAT TO DO BUT IF THE STATE OF EMERGENCY WERE LIFTED AND FURTHER STEPS WERE TAKEN BY THE SOUTH AFRICAN GOVERNMENT TO PAVE THE WAY FOR NEGOTIATIONS, THERE WOULD BE A NEED FOR SOME RESPONSE. THAT DID NOT MEAN THE GENERAL DISMANTLING OFFSANCTIONS. I SUGGESTED THAT THE ANC THEMSELVES WERE GOING TO NEED TO LOOK FOR SOME WAYS OF GIVING DE KLERK SOME ENCOURAGEMENT VIS A VIS HIS OWN SUPPORTERS, EG THROUGH RELAXATION OF THE SPORTS BOYCOTT. WE WERE NOT PRESSING THIS AS IT WAS AT BEST A SECONDARY ISSUE. BUT THEY SHOULD THEMSELVES CONSIDER WHETHER IT WOULD NOT BE TO THEIR ADVANTAGE TO EASE THE BOYCOTT IN SOME AREAS AT LEAST, EG SOCCER.

7. SISULU SAID THAT DE KLERK HAD TAKEN SOME VERY COURAGEOUS STEPS. THE KEY ISSUES NOW FOR THE ANC WERE THE LIFTING OF THE STATE OF EMERGENCY AND THE RELEASE OF ALL POLITICAL PRISONERS. I SAID THAT A KEY ISSUE ALSO WAS AGREEMENT ON A FORMAL SUSPENSION OF VIOLENCE OR (IF THE ANC PREFERRED) 'SUSPENSION OF HOSTILITIES'. SISULU INDICATED THAT THE ANC DID SEE THIS AS A PART OF THE PACKAGE PROVIDED THE OTHER ELEMENTS WERE AGREED. THERE WOULD THEN, HE REALISED, BE A PROTRACTED PERIOD OF NEGOTIATION ON A NEW CONSTITUTION. ON THAT I DESCRIBED THE EFFORTS WE HAD MADE TO SHIFT THE GOVERNMENT AWAY FROM THINKING IN TERMS OF 'GROUPS' AND TOWARDS ARRANGEMENTS FOR THE PROTECTION OF MINORITY RIGHTS. I SAID THAT WE KNEW THAT THE ANC'S POSITION WAS THAT 'MINORITIES' AS SUCH DID NOT NEED PROTECTING - ONLY INDIVIDUAL RIGHTS. BUT IN OUR OPINION THERE WOULD BE NO AGREEMENT ON A NEW CONSTITUTION UNLESS THERE WAS PROTECTION FOR MINORITY RIGHTS AND THAT FEATURED IN MANY OTHER CONSTITUTIONS.

8. SISULU IS VERY PRE-OCCUPIED WITH THE CRISIS IN BLACK EDUCATION AND I GAVE HIM FULL DETAILS OF THE PROGRAMMES WE ARE SUPPORTING HERE, INCLUDING THE THOUSAND-PLUS STUDENTS WE ARE NOW HELPING AT UNIVERSITY LEVEL IN SOUTH AFRICA AND BRITAIN AND THE EFFORTS WE HAVE BEEN MAKING TO IMPROVE THE QUALIFICATIONS OF TEACHERS. I SAID THAT THE PROBLEM OF DEALING WITH AN EXTRA 400,000 CHILDREN AT SCHOOL EVERY YEAR AND AN EXTRA FIVE MILLION SCHOOLCHILDREN OVER THE NEXT TEN YEARS COULD NOT BE LEFT TO BE DEALT WITH ONCE ALL THE POLITICAL PROBLEMS HAD BEEN RESOLVED. IF THE ANC-AFFILIATED NATIONAL EDUCATION CRISIS COMMITTEE COULD COME UP WITH VIABLE PROPOSALS TO DEAL WITH THE CRISIS IN BLACK EDUCATION, THEY WOULD BE IN A POSITION TO LAUNCH AN EXTERNAL APPEAL TO WHICH I WAS SURE WE WOULD GET A RESPONSE THROUGH THE EUROPEAN COMMUNITY AND FROM OTHER DONORS (WE SHALL BE DISCUSSING THIS FURTHER

WITH NECC LEADERS HERE). SISULU SHOWED INTEREST IN THIS AND IN THE URBAN FOUNDATION SCHEME FOR LOW-COST FORMAL HOUSING AND THE POSSIBILITY OF ADDITIONAL HELP FOR INFORMAL HOUSING IN THE SQUATTER SETTLEMENTS, AND IN THE WORK WE ARE CARRYING OUT IN THE TOWNSHIPS AND THROUGH OPERATION HUNGER IN THE RURAL AREAS, OF WHICH WE ALSO GAVE HIM FULL DETAILS.

9. ON NATIONALISATION, I SAID THAT NO OBJECTIVE OBSERVER OF THE SITUATION IN SOUTH AFRICA COULD CONTEST THE NEED FOR A RE-DISTRIBUTION OF WEALTH) IN PARTICULAR, FOR INSTANCE, OF LAND, WHERE VIRTUALLY ALL VIABLE AGRICULTURAL LAND REMAINS IN THE HANDS OF THE WHITES). BUT THE STATEMENTS BY MANDELA AND OTHER ANC LEADERS ABOUT NATIONALISATION DID NOT MAKE SENSE. THEY WERE QUOTED AS SAYING THAT THE BANKS, MINES AND SOME INDUSTRIES WOULD HAVE TO BE NATIONALISED SO THAT MORE RESOURCES COULD BE MADE AVAILABLE TO HELP WITH BLACK HOUSING AND EDUCATION. BUT IF THOSE INDUSTRIES WERE TAKEN OVER WITHOUT COMPENSATION, MANY FOREIGN INVESTORS WOULD BE AFFECTED AND THERE WOULD BE NO FUTURE INVESTMENT IN SOUTH AFRICA. IF COMPENSATION WERE PAID, THEN FAR FROM MORE RESOURCES BEING AVAILABLE FOR BLACK EDUCATION ETC, THIS WOULD BE AN ADDITIONAL CHARGE ON THE BUDGET. SISULU SAID THAT PUBLIC UTILITIES, EG THE RAILWAYS, HAD ALREADY BEEN NATIONALISED BY THE AFRIKANERS. I SAID THAT SOME PUBLIC UTILITIES FUNCTIONED RELATIVELY EFFICIENTLY UNDER STATE CONTROL BUT WE WERE NOT AWARE OF ANY CASE WHERE, FOR INSTANCE, MINING COMPANIES FUNCTIONED EFFICIENTLY UNDER STATE CONTROL. THESE WERE ISSUES THAT COULD BE DISCUSSED OVER THE NEXT TWO OR THREE YEARS WHILE A NEW CONSTITUTION COULD BE WORKED OUT. BUT IF SOUTH AFRICA DID NOT END UP WITH A MIXED ECONOMY, THERE WOULD BE NO CHANCE OF REVERSING THE EXISTING OUTWARD CAPITAL FLOW.

10. I ALSO DISCUSSED WITH SISULU THE VIOLENCE IN NATAL AND DESCRIBED THE EFFORTS WE HAD MADE TO HELP BRING THE TWO SIDES TOGETHER. I SAID THAT WE DID NOT BELIEVE THAT THE VIOLENCE WOULD SUBSIDE UNTIL BUTHELEZI AND MANDELA MADE A JOINT APPEAL TO THEIR RESPECTIVE SUPPORTERS. SISULU SAID THAT IT WOULD BE VERY DIFFICULT FOR THEM TO ADDRESS A JOINT MEETING: THAT WOULD BE TOO EXPLOSIVE. BUT HE AGREED THAT SOMETHING OF THIS KIND WOULD HAVE TO BE DONE. THE KING OF THE ZULUS WOULD HAVE TO BE INVOLVED. (SISULU IS GOING TO NATAL TOMORROW TO PURSUE EFFORTS TO BRING THE VIOLENCE TO AN END. MANDELA WILL BE ADDRESSING A RALLY IN DURBAN ON 25 FEBRUARY AND DOES APPEAR TO BE PLANNING TO MEET BUTHELEZI.)

RENWICK