

PRIME MINISTER

CABINET: SOUTH AFRICA

The Foreign Secretary will report to Cabinet on the discussion on South Africa at the meeting of EC Foreign Ministers. No consensus was reached, and our only supporter was Portugal. The Foreign Secretary offered a compromise whereby we would defer lifting the voluntary ban on investment if all EC countries would agree to act together to lift it at the same moment as the South African government lifted the state of emergency. There was no agreement on this.

We now need to go ahead and rescind the guidance discouraging investment which we have hitherto given to British firms. This was introduced through a Written Answer by the DTI, and that seems the right way to rescind it. It would be best to table this as soon as possible, otherwise there will be speculation that we are backing down, succumbing to pressure etc.

We are also ceasing to discourage promotion of tourism and academic/scientific and cultural contacts. These were Commonwealth measures, agreed at Nassau. My understanding is that no formal action is needed on this beyond the public statements which you and the Foreign Secretary have already made.

The Trade and Industry Secretary may raise the question whether we should also end the restriction on financing of trade missions to South Africa. This, too, was a Commonwealth ban agreed at Nassau. The Foreign Secretary's view is that we should lift this when the South Africans lift the State of Emergency.

*C.D.P.*

C. D. POWELL

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