10 DOWNING STREET THE PRIME MINISTER 20 January 1986 Year Niholas. Thank you for your letter of 14 January and the enclosed report which I shall keep to myself. I should like to reflect upon it before making any response. I agree about the importance of the issues involved. Cours ever Nicholas R. Winterton, Esq., M.P.

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14th January 1986 NRW/cmh

Rt. Hon. Mrs Margaret Thatcher MP 10 Downing Street LONDON SW1 CDP

Dean Magant,

In confidence and for your eyes only, I enclose a Report which has been forwarded to me about the situation in South Africa. I do not wish the contents of this Report to be drawn to the attention of the Foreign Office, and I only wish for you to confirm you have received the Report and noted its contents. If, however, you are prepared to make any response, I can assure you that it will be treated in entire confidence and will not be passed on in any way.

I remain deeply concerned about events in South Africa which is a country vital to our interests, and I see it almost as inevitable that there will be a military takeover unless the civil Government can reassert its authority throughout the Republic.

REPORT ON SOUTH AFRICA

There is now a possibility of a military coup in South Africa. The military feel that the politicians have lost control and any further deterioration in the present situation could lead to the complete collapse of the government, chaos in business and industry and there would be a real threat to South Africa on the Republic's borders.

Information gleaned for this report came from a variety of sources during the month of September and up to October 23, 1985. The sources are given at the end of this report.

Government and military sources admit that the security forces have lost control within the black townships which have been taken over by a Mafia-type organisation under the influence and control of the African National Congress and its surrogate agency, the United Democratic Front. Funds for their activities are finding their way via the South African Council of Churches and twenty-five other similar organisations. Sources of the money are listed as America (Chase Manhattan Bank, Lincoln Foundation, Ford Foundation, Union Carbide, World Council of Churches and thirty-five known business firms plus anti-SA and anti-Apartheid agencies in the USA), Britain, West Germany, France, the Scandinavian countries, Holland, Belgium and the Soviet Union. The main conduits are through Switzerland, Austria, Egypt, Portugal, Tanzania and Botswana.

The military, especially the Department of Military Intelligence, is against the Nkomati Accord, believing that the Accord is against the interests (security) of South Africa. Department of Military Intelligence still secretly supplying arms, ammunition and food to the Renamo resistance movement. The military do not like or trust Samora Machell and his government of Frelimo.

The military feel the same about UNITA and JONAS SAVIMBI. They continue to support UNITA in Angola with arms, ammunition and equipment plus medical supplies and help.

Military believe that Foreign Minister Pik Botha is working against the overall interests of South Africa and that he is in the pocket of the American multi-national companies and corporations. Pik Botha is opposed to helping UNITA and REMANIS. The military say they have evidence that Pik Botha is in league with Chester Crocker and that his appearances on SA TV (which he controls through his Board of Governors and Director-General who used to be on his personal staff) as a "staunch right winger" are false.

Department Military Intelligence, National Intelligence Service and internal Security, have ample evidence that top politicians, including five Cabinet Ministers, and senior civil servants have since 1977 put away substantial funds in their own private account abroad (mainly Vienna, Zurich, Geneva, London and New York). This money from governments and multi-national corporations which would seek to have a black government running South Africa.

Both Department Military Intelligence and National Intelligence Service and Security have evidence of at least 150 KGB agents now operating within South Africa's Civil Service, industry business sector, the political parties (including National Party) and the army and police. The military, security and a number of top politicians believe that South Africa cannot go on in its present state until the election in 1989. They expect a collapse long before then. They also feel that the government of PW Botha has embarked on a policy of appeasement.

PW Botha is aware of the feelings of the Generals, Brigadiers and Colonels within the armed forces and security and his Durban speech was made to calm their fears. PW Botha is under pressure from his Foreign Minister, Pik Botha, three other Cabinet Ministers including Gerrit Viljoen, Senior Nationalist Parliamentarians, senior Civil Servants and the business sector, to get rid of Apartheid in one stroke and hold talks with the ANC as well as release Mandella.

On four occasions this year, once in October, Department of Military Intelligence, including Generals van der Westhuizen and Groenewald, the Army (including General Viljoen, who retires at the end of October) approached PW Botha and warned him that the Military was restless over government policies and lack of leadership. The Generals voiced their distrust of Pik Botha. PW Botha realises that Pik Botha is not only ambitious but is incurring the wrath of the military and security forces but he refuses to get rid of him because this would indicate a serious split in the SA Cabinet and also Pik Botha has threatened that he would cross the floor to the Progressive Party and take with him three Cabinet Ministers, three deputy Cabinet Ministers and 15 Members of Parliament. This would not immediately bring down the PW Botha government but the split would sap the Afrikaners of their confidence in the Nationalist Party and this would drive many of them into the Heritage National Party and the Conservative Party as well as the other more extremist organisations.

The Military believe that the government is not fully aware of the dangers now prevalent in Angola, Botswana, Zimbabwe and Mozambique. The Military are convinced that once law and order break down within South Africa and there is confusion among the whites with chaos in the business and industry spheres, the Soviets and their surrogates would spark off massive incursion into SA. The military could not handle general internal insurrection and four-pronged guerilla incursions into the Republic. Such a situation should not be allowed to develop because of ineptitude by the politicians.

The Military have a respect for PW Botha because of his previous position as Minister of Defence and therefore have in fact withheld intensified pressure on the President but this attitude is now changing because of current events.

The Military want the PW Botha government to pay more attention to Chief Buthelezi and work in with him against the ANC. PIK does not want this, according to the Generals.

The Generals have emphasised to the President that there is a growing mood among the young men and women within the military as well as those being called up for national service that the government is now operating a policy of appeasement and that there will be a "sell out" of the country. An increasing number of men being called up are objecting to fighting what they now term a "no win war".

- 3 -Military no longer convinced that their former Minister, Magnus Malan, is on their side (politically). They think Malan has gone over to Pik Botha's side. During the first fortnight of November a prominent businessman in Pretoria, Ponie de Wet, will approach President Botha on behalf of a group of Generals and his objective will be to sound out PW Botha about his attitude towards the military taking over and PW Botha being placed at the head of the Junta. PW Both's response is vital to the Generals because if he agrees that would save them the problem of electing a leader but should PW Botha object then it would probably fall on the shoulders of the retiring General, Constance Viljoen, who has been a supporter of the right for years and it is expected that he will join the Conservative Party rather than Dr. Treurnicht's HNP although he has sympathy with the latter. The Military people are worried that PW Botha has been forced into accepting a policy of placing blacks on the President's Council next year and then establishing a black Advisory Council to the President. The next step would be to call for a referendum among the whites to include blacks in Parliament. This referendum would be early 1987. The Generals fear that the politicians are moving too fast under world pressure and therefore would give way. would threaten the security of South Africa and they believe that the Soviets and their surrogates would be in Pretoria before 1990. What has worried the military are the number of meetings big business has had with ANC and the number of meetings ANC people have had with multi-national corporations, mainly from America. A case in point is the recent meeting between the white ANC official, Joe Slovo (based in London and Lusaka) and Rockefeller. It is as if big business regard the ANC as the next government in South Africa. The military believe that an ANC government would mean a strong Soviet base in Southern Africa and this would be disastrous. for the West. The Military also worried about PW Bothd's continual and increasing alliance with Israel, the Islamic states, including Oman and Saudi-Arabia. The conduit here is Armscor. What the Military fear is that the alliance with Israel has endangered SA security. Department Military Intelligence and NIS have discovered security leaks through Israeli organisations in SA and they have urged PW Botha to stop getting too close to Mossad, Israel's secret service. DMI persuaded the government to expel three Israeli organisations (Mossad controlled) from the homelands this year. Four years ago the Military seriously considered a coup but decided against it because of assurances from PW Botha that there would be no "sell out". But events in the past year have again awakened the military, particularly the Department of Military Intelligence, to the necessity of a strong action in SA, "stop the rot" and handing over the country to "the Communists".

The Military are certain that elections in South West Africa would result in SWAPO taking over, which would mean the Cubans entering the country and Namibia would be a "Red State" within six months of the election result. Sources Politicans: Louis le Grange (Cabinet), Adriaan Vlok (Deputy Minister), Raulf Meyer (MP) due Plessis (MP) Dr. J.D. de Villiers (Industries and Commerce) JW Wiley (Environment). All National Party. Dr. Treurnicht (leader of HNP), Connie Mulder (leader of Conservatives) Gen. van den Bergh (former head of Bureau of State Security), Baron von Lichinstein, Clive Darby-Lewis, Stephanie van Hearden, Randburg Counsellors (both Nationalist Party and HNP), Dr. C. Roschoff (former Chairman of Broderbond), Ponie de Wet, Aida Parker (Journalist), Harald Pakendorf (Editor of Die Vaderland), Prof. D.A.S. Herbst (Adviser to General Magnus Malan, Minister of Defence), Martin Spring (Editor of three Economic magazines in Transvaal) Department of Military Intelligence (Generals, Brigadiers and Colonels) National Intelligence Service Police and Security Foreign Affairs Department Ministry of Information South African Broadcasting Corporation South African Council of Churches Colonel Bob Slimp of USA Army who has been on recent tour of South Africa and South West Africa and also into Angola where he met UNITA leader Savimbi.

