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10 DOWNING STREET

From the Private Secretary

23 June 1986

Dear Cde,

**SOUTH AFRICA
PRIME MINISTER'S CONVERSATION WITH CHANCELLOR KOHL**

The Prime Minister spoke to Chancellor Kohl on the telephone this morning about South Africa.

The Prime Minister said that she was encouraged to hear that Chancellor Kohl continued to oppose economic measures designed to damage South Africa's economy. There was nothing moral about such measures. They would hurt black South Africans and neighbouring countries and undermine precisely those forces which the European Community should be trying to strengthen, namely the business community which was the main force for change in South Africa. They would also be very damaging to employment in Britain and in Germany. The Community should not allow itself to be driven by hysteria into irrational and counter-productive measures. Rather, it should focus on positive and constructive measures which offered a hope of promoting dialogue and progress in South Africa. Nor should the Community's action be dictated by those countries which had very little to lose from economic sanctions. The views of Britain and Germany as the two countries with by far the biggest stake must carry great weight.

The Prime Minister continued that she was glad to note that the German representative at the Political Committee had declined to be drawn into discussion of specific measures. She wished the Chancellor to know that she remained vigorously opposed to a ban on imports of fruit, wine and vegetables. Such a measure would hit heavily at Cape coloureds and at rural blacks. She hoped that the Chancellor would join her in The Hague in arguing for the Community to focus on positive measures to assist blacks in South Africa and a diplomatic initiative designed to keep alive hopes of peaceful progress. This might be achieved if the Council were to mandate the Foreign Secretary, as the new President of the European Community, to hold consultations with the Community's main partners and to visit South Africa for discussions with the South African Government. The United States had expressed the hope that the Community would take no action without coordination with the other major trading partners of South Africa. Otherwise we should get in a position where each of the main groups

was constantly undercutting each other. She therefore favoured close consultation with the Economic Summit Seven countries which she understood that Chancellor Kohl had also proposed.

Chancellor Kohl said that he very much agreed with the Prime Minister's exposition. The Federal Republic's position of principle was identical. Economic sanctions would make matters worse in South Africa. He was firmly opposed to a ban on fruit and vegetables. The situation was extremely volatile with the left-wing groups in Europe doing their best to whip up feelings on the issue of South Africa and President Botha playing into their hands by making every mistake it was possible to make. He agreed that it was essential to hold consultations with the other Economic Summit countries. He also agreed that it would be useful for the Foreign Secretary, perhaps with the Netherlands Foreign Minister, to visit South Africa to explore the opportunities for progress. President Botha must be persuaded to give some signs of willingness to make concessions. He wondered what assessment the Prime Minister made of the forthcoming Commonwealth Heads of Government meeting.

The Prime Minister said that the Commonwealth meeting would be difficult. But would be easier to handle if by that time we could point to a package of effective measures which had been agreed within the European Community and with the Economic Summit countries.

Chancellor Kohl said that there was a worldwide wave of irrationality under cover of which left wing forces were trying to push matters to a crisis in South Africa. It was not helpful that churchmen were also getting involved in politics. There was a great deal of hypocrisy about. The situation was very dangerous. President Botha must be encouraged to take up discussions with Chief Buthelezi and other moderate African leaders.

Chancellor Kohl said that it was important that he and the Prime Minister should keep in close touch. They would have a further word on Thursday, early in the proceedings of the European Council and should work together closely during it. He also hoped that they could stay in regular touch on the telephone and through their offices.

I am copying this letter, on a personal basis, to the Private Secretaries to the Lord President, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, the Chancellor of the Duchy of Lancaster and to Sir Robert Armstrong.

your search.
Charles Powell

(CHARLES POWELL)

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