

SRWAFF

PRIME MINISTER

CABINET: SOUTH AFRICA

SPEAKING NOTE

We have to settle the position which the United Kingdom should take on South Africa at the meeting of the European Council on Thursday and Friday this week and, by extension, at the meeting of Commonwealth Heads of Government in August. The background is the failure of the Eminent Persons Group to bring their mission to a successful conclusion. This has reawakened the clamour for sanctions, which in turn raises difficult issues within the party. So far we have managed to contain these successfully but it may become increasingly difficult. While the Opposition have been making considerable play with the need for economic sanctions, we have had some success in exposing the hypocrisy of their position, both because of what they said when in government; and because it is evident that measures which destroy the South African economy are not likely to promote reform in South Africa. Indeed, they are calculated to increase the intransigence of the government.

We have had two meetings of Ministers to consider the way ahead and a full OD yesterday. In these meetings we have focused on their points which are reflected in the papers before you.

The first is the case for positive measures to help the black community in South Africa. I do not think anyone disagrees on the need for these and it should not be a problem at the European Council. In the same category of positive measures is the decision to have contact at Ministerial level with Mr. Tambo. This enabled us to put over authoritatively our insistence that the ANC must be prepared to suspend violence if it is to qualify itself to take part in negotiations with the South African government.

The second aspect we have considered is whether there is scope



for some diplomatic initiative to continue where the Eminent Persons Group left off, that is to try to persuade the South African government to take some of the steps which have been identified as necessary to start a dialogue. The principal one is release of Mr. Mandela. One possibility would be for the Foreign Secretary, as President of the European Community from 1 July, to go to South Africa. He could go either alone or with the past and future Presidents of the Community. Either way it would be with a Community and not a British hat. Obviously the chances of success of such a mission are not very good although we should at least be seen to be trying to make progress with the South African government and offering them the opportunity to make a gesture. Our soundings suggest that there would be some support for this among the main Community countries and the Americans are obviously considering something similar. The most difficult question is whether we should be significantly worse off were such a mission to fail. Worse off in terms both of our ability to influence the South African Government in future; and worse off in terms of increased pressure for economic sanctions. On this, there was no clear agreement at OD. Clearly we all recognise that a mission which did fail would put the Foreign Secretary in a difficult and exposed position and we would not lightly wish this on him.

The third point is which negative measures, that is measures directed against South Africa, we may have to accept. Clearly our preference is to avoid such measures for as long as possible because they would damage rather than improve the prospect for peaceful change. Most of them would hit at blacks in South Africa and deprive them of their jobs. They would also make it harder for the business community to influence the government towards reform. We shall therefore work at the European Council to defer decisions. But we have to recognise that there is considerable support for at least some measures - perhaps signals is a better word - in the European Community, and much more strongly in the Commonwealth. And we did agree that the case for such measures would have to be looked at again if the Eminent

Persons Group failed. The measures which we have provisionally identified as least objectionable are:

- a ban on the import of gold coins (which we already apply),
- a voluntary ban on new investment,
- removal of South African military attachés from London,
- a ban on the import of iron and steel from South Africa and,
- possibly and reluctantly, a ban on coal imports from South Africa (though this would put at risk the jobs of up to 25,000 black miners).

Our aim at the European Council would be to agree the fewest possible of these in the slowest possible time. We would also urge that there should be consultations with the Americans, Japanese and other major industrialised countries before any decisions were taken on specific measures, so that we do not end up undercutting each other.

These are the main points which colleagues need to consider so that the Foreign Secretary and I can go to the European Council with a clear mandate.

CDD.

(C. D. POWELL)

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