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145 12h CMM 25/6

PRIME MINISTER

SOUTH AFRICA

I met the two National Security Council staff members, Mr. Raymond and Mr. Ringdahl, to talk about South Africa this evening as suggested by Admiral Poindexter. I did not learn anything very new.

They confirmed that the President remained strongly opposed to economic sanctions. But they admitted that, under pressure from Congress, he was likely to take <u>some</u> additional measures. They found it hard to predict exactly what these would be. He would want to avoid actions which would damage the South African economy. A ban on coal and steel was relatively likely (US imports from South Africa were very small). The President was strongly opposed to a ban on new investment. The nature of any measures would in the end depend on the sort of Bill adopted by the Senate and on developments in South Africa between now and September. On balance, further measures were unlikely before September.

They identified two major events in South Africa in August as holding out opportunities for progress in the National Party Congress and the special session of Parliament.

They denied that the President was thinking of sending any special representative to South Africa at present. They were very interested in the possibility that the Community might send an emissary or a deputation. They thought this would be useful. They confirmed that the President was seriously interested in the idea of joint US/UK/FRG initiative to hold discussions with the South African government (but dubious whether France should be involved). He believed that this combination held out the best prospect of influencing the South African government because the three countries were known to be opposed to sanctions. But they were vague about the timing of a possible mission, who should take the initiative in trying to organise it, and how it would relate

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to the proposed EC mission.

They were enthusiastic about consultations between the Community and the United States and other Economic Summit countries <u>before</u> any measures against South Africa were adopted. They hoped that the United Kingdom would take the initiative in organising these early in July, as soon as we assumed the Presidency of the Community.

Finally they confirmed that their purpose in coming to London was to discuss the possibilities of greater cooperation between United States, United Kingdom and South African businessmen in bringing pressure to bear on the South African government for reform.

C.D. ?.

(C. D. POWELL)
24 June 1986

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10 DOWNING STREET LONDON SWIA 2AA

From the Private Secretary

30 June 1986

I enclose for your information only a copy of a note I did recording my discussion last week with two members of the National Security Council Staff on South Africa. I believe they also saw Ewen Fergusson.

Charles Powell

A.C. Galsworthy, Esq., CMG., Foreign and Commonwealth Office.