SOUTH AFRICA

I have discussed a line for the press with the Prime Minister. You might make the following points:

- (1) She is very grateful to the Foreign Secretary for carrying out his mission with such patience and steadiness. He will have made clear our detestation of apartheid. The South Africans will also have heard the arguments for change presented lucidly andpersuasively.
 - (2) He will be reporting to her personally later today.
- (3) It is no secret that the South Africans dislike outside interference and their immediate reaction is no great surprise. But we need to see to what extent the points made by the Foreign Secretary sink in and are acted upon in practice. We are interested in results release of Mandela, unbanning of the ANC. There are particular opportunities for the South African Government to move during August and September (i.e. the party congress, etc.). The European Community will assess the situation in late September.
- (4) Any decisions on the way forward must wait until after the Foreign Secretary has reported to Cabinet. But it is no less true than before that sanctions are <u>not</u> effective in securing internal reform.

(C. D. POWELL) 30 July 1986



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From the Private Secretary

Prime Minister

South Pfrica. need a line for to use thin morning. I Benard something on the following Suggest lines: course The outcome of the Foreign 0 of mission so tar 'n disappointing; Seastan? we can't reach judgements on (2) Dut a day to day basis. It was no secret that the South Africans resent and dislike outside inteference. Or that President Botha was likely to day so.

Botha was likely to day so.

We shall watch

development in South Africa over the rost month or so very carefully. To see weller the illes and proposeds put by The Foreign bevolves bear fruit in practice. Nove are important events in August (serry congress etc). Lets see what they produce. If the bouth Africans went to say that they reach deixins on this own grands, in the own time, rather than an the basis of outside admice, that's fine by us. We are interested in results @ it remains the case that sanctions are no answer and note e more people recognise that reality. If there is no be recognise it will be through negations, mon't belo intend regations. And sometimes won't belo

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ore jot. that process South Oficen governet E but The knows that the industrialized countries are bound no signed ver disapproval I the in no progress. The was foreselve at the European Council, which said that Julier measures might be relled. Further measures _ himsted e selected neverer - are indled now more likely. 6 but the ain of there who are interested in special pressen in Loute Africa, retier ton in breakdown a chaos. must remain to creat the conditions for regaliations. We shall use the remainder of the three months agreed by the Lurger Council for that purpose.

perhaps you could be me have it back in the hold when you have, but in the hold when you have, so that I can give it to Bernard.

36/7.