

PRIME MINISTER

EC FOREIGN MINISTERS' INFORMAL WEEKEND: SOUTH AFRICA

The Foreign Secretary's letter (attached) sets out how he proposes we handle the question of restrictive measures against South Africa within the Community over the next two or three weeks. His recommendation in brief is that we should go for rapid adoption of the Hague measures at the Foreign Affairs Council on 15/16 September. He believes that it is best to get the decision out of the way as far ahead of the Party Conference as possible.

I spoke to Herr Teltschik in Chancellor Kohl's office to see how this suits the Germans. Teltschik stressed to me three points:

- that Chancellor Kohl was not yet ready to endorse formally further restrictive measures against South Africa;
- nor was his mind closed to alternatives to the measures listed in the conclusions of the Hague European Council. The implication was that something less than the Hague measures might still be an option;
- the crucial consideration for Kohl was close co-ordination with the United States and Japan. For this reason the Chancellor would not want to reach any decision until he had considered the outcome of the Foreign Secretary's visit to Washington next week.

Teltschik said that it was therefore a matter of fundamental importance to Chancellor Kohl that no conclusions should be reached or decisions taken at the Informal Meeting of Foreign Ministers at Brocket Hall this weekend. Rather that there should be a further round of Anglo/German contacts following the Foreign Secretary's return from Washington. Teltschik added that, at one stage, the Germans had considered proposing

a special meeting of Heads of Government but now realised that this was not feasible.

I have passed this on to the Foreign Secretary, saying that I think that you would want full weight to be given to Chancellor Kohl's views. My strong impression is that the Germans will accept the Hague measures but do not want to be ~~rushed~~ and attach particular importance to further consultation with the US. Anyway, it would be far better not to re-open the Hague package, otherwise there will be attempts to add all sorts of additional measures. Our line should therefore be to give the Germans time and avoid any attempt to get the Community to reach premature conclusions (ie this weekend) even though the majority will want to do so.

ESP

CHARLES POWELL

5 September 1986

CAJAHW

010
CONFIDENTIAL

CCP



Foreign and Commonwealth Office

London SW1A 2AH

4 September 1986

Dear Charles,

EC Foreign Ministers' Informal Weekend: South Africa

South Africa is bound to feature prominently in discussion among EC Foreign Ministers at Brompton Hall this weekend. The Foreign Secretary intends to concentrate his colleagues' minds on how the EC can play a constructive role and on what further efforts can be made to promote genuine dialogue in South Africa. However, given the lack of any real evidence that the South African Government are prepared to take the steps called for in The Hague European Council communique, the further restrictive measures listed therein will undoubtedly be discussed.

It was clear from discussion in the Political Committee on 2 September that most of our EC partners favour early adoption of at least these further measures, and will be pressing for an agreement at Brompton Hall. Given our commitment at the Commonwealth Review Meeting, we shall be obliged to accept and implement any EC decision to ban new investment as well as imports of South African coal, iron, steel and gold coins (we have, of course, already decided on voluntary bans on new investment and the promotion of tourism, and have taken action to prevent the import of gold coins). If, therefore, there is a consensus amongst our partners to adopt these measures, the Foreign Secretary sees advantage in coming to an informal understanding which would be confirmed by the Foreign Ministers meeting in political cooperation at the time of the Foreign Affairs Council in Brussels on 15-16 September, the last date to which we shall be able to postpone these decisions. It is at that stage that announcements would be made, although in the case of iron, steel and coal we should have to prepare the necessary instruments only by 27 September, the end of the three month period decided upon by the European Council.

/Sir Geoffrey

CONFIDENTIAL



CONFIDENTIAL

Sir Geoffrey Howe believes there is a strong case for getting the political decisions, which can be expected to attract the lion's share of the publicity, out of the way well before the Party Conference. Also, Dr Chester Crocker told the Foreign Secretary on 2 September that the US Administration would welcome early EC decisions. The eventual Congressional Sanctions Bill is bound to be far more extreme than anything the Twelve adopt, so that EC decisions at this stage should strengthen the President's hand as he contemplates the possibility of using his power of veto.

There is a potential problem with the Germans. Chancellor Kohl wishes to be associated with any decision on further measures, to ensure the support of all parties within the coalition. In the Foreign Secretary's view, an extraordinary European Council is neither practical nor desirable, given the fresh burst of intense publicity and expectations it would create for sanctions on the eve of the Party Conference. Nor does it appear necessary. Sir Geoffrey has it in mind to suggest to Herr Genscher at their bilateral meeting today that he (and any other Foreign Ministers who need to do so) should use the period between Broomfield Hall and the FAC on 15-16 September to consult his Head of Government about whatever package begins to emerge there. It could then be made clear on 15/16 September that the decision taken in political cooperation was made on the authority of Heads of Government. If that is not good enough for Chancellor Kohl, he will have the opportunity to give his agreement to the Prime Minister, in her capacity as President of the European Council, when they meet on 16 September.

I am copying this letter to the Private Secretaries to members of OD and to Michael Stark (Cabinet Office).

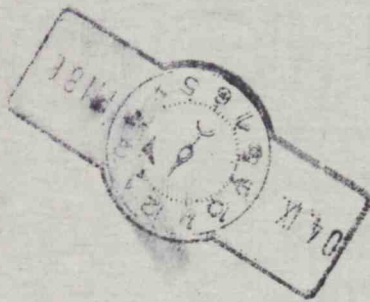
Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CONFIDENTIAL



CCP

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET 5422
Telephone (Direct dialling) 01-215
GTN 215
(Switchboard) 01-215 7877



PS/ Secretary of State for Trade and Industry.

CONFIDENTIAL

5 September 1986

Colin Budd Esq
Private Secretary to the
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

CDP
8/9

Dear Colin,

Thank you for copying me your letter of 5 September to Charles Powell.

My Secretary of State is generally content with the FCO proposals. We are not at all sure that if decisions of principle can be reached on 15-16 September there is anything to be gained from making use of our freedom to delay decisions until the end of the month.

There is a detailed point we would make. Your letter rightly refers to our obligation to accept and implement any EC decision to ban imports of certain stated products. There is however a strong case, as we see it, for this ban, in the case of iron and steel, only applying to products which fall within the Treaty of Paris and not those such as pipes and tubes, coil, fabricated structurals and cold rolled narrow strips which fall within the Treaty of Rome. The advantage of limiting the definition at this point is that the distinction is defensible and also it avoids the need for Parliamentary scrutiny and therefore debate.

Your letter rightly referred to the importance of the US dimension. If we had to move from the position set out above, the only other defensible line in our view is that drawn in the EC/US quota agreement (which includes a number of the products excluded from the Treaty of Paris definition). We would strongly oppose any enlargement of the embargo to cover such products, and my Secretary

JF5BKE

17 86
19 86
BOARD OF TRADE
BICENTENARY



CONFIDENTIAL

of State would recommend that if the subject is raised in detail this weekend, the Foreign Secretary should argue for the narrower definition. We should not, however, exclude entirely a wider definition based on the EC/US quota agreement. We should seek to make sure we avoid a situation where the EC adopted a narrower definition than the US: otherwise there is a strong risk that South African exports of steel pipes and tubes etc to the US would simply be diverted to the EC, to the detriment of our own industry.

I am copying this letter to the members of OD and to Michael Stark at the Cabinet Office.

*Yours ever,
Michael*

MICHAEL GILBERTSON
Private Secretary