Personal

10 DOWNING STREET

Prime Minister

This is the third request of this type which we have had.

All are for you to see people whom the Foreign Secretary met in South Africa, who think as he does, or whom he hopes will change your views.

I really don't think you need see them. CDP.

CONFIDENTIAL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 September 1986

Mrs Sheena Duncan of Black Sash

Thank you for your letter of 5 September recommending that the Prime Minister should find time to see Mrs Duncan.

The Prime Minister's diary is already heavily overloaded for this autumn and I am trying hard to restrict the number of foreigners. The Prime Minister does not feel that she can find the time to see Mrs Duncan but is nonetheless grateful for the suggestion.

(CHARLES POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

5 September 1986

Reply no

Prime Minister
Would you like to see Mrs Duncan?
You are very busy in this period.
CDP 5/9

Dear Charles,

Mrs Sheena Duncan of Black Sash

One of the people whom the Secretary of State found most impressive during his visit to South Africa in late July was Mrs Sheena Duncan of Black Sash.

She is the leading figure in, and a former National President of, Black Sash - an organisation consisting mainly of middle class white women which has opposed National Party policies for many years. Mrs Duncan has been active in Black Sash since 1963 and has an unrivalled knowledge of the way apartheid works for ordinary people. She is particularly expert on the intricate web of legislation which is the basis of the system and which, despite the abolition of the pass laws, remains largely intact.

The Foreign Secretary hopes that the Prime Minister can find time to see Mrs Duncan, though he well understands the pressures on her time, particularly in the run-up to the Party Conference. Mrs Duncan is intelligent and articulate. The Foreign Secretary believes that the Prime Minister would find her views of great interest.

We know that Mrs Duncan will be in Europe from later this month (arriving on or about 22 September) until the afternoon of 13 October.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CONFIDENTIAL

File 881

MR. POWELL

MR. TONY BLOOM:
CHAIRMAN OF PREMIER MILLING

When you were away on holiday the Foreign Office rang about this gentleman. Tim Flesher asked the Prime Minister if she wanted to see him and she said if possible. He then said he was coming at the end of September until 3 October and in consultation with you I turned the approach down.

Unfortunately he has changed his dates and he will now be coming towards the end of October.

Do you think the Prime Minister should see him?

C.R.
23 September 1986

Foreign and Commonwealth Office

London SW1A 2AH

5 September 1986

CDP 5/9.

Dear Charles,

You will remember that it has for the moment proved impossible to find a suitable time for the Prime Minister to see Tony Bloom, the South African businessman.

You may be interested to see the attached note of a talk he recently gave to a group of businessmen in South Africa.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

I'm a South African, White and a businessman with a vested interest in the survival of the free enterprise system in my country. And terrified that a head-on clash of wills between obstinate and repressive Afrikaner nationalism on the one side, and increasingly violent Black nationalism on the other, is going to result in this magnificently endowed country being plunged into bloodshed and violence. Worse still, I (like so many others) feel utterly helpless in the face of an unfolding drama which we are powerless to influence; the scenes are developing with all the inevitability of a Greek tragedy.

As a businessman, I find myself having to deal, beyond the sphere of conventional business, with a range of problems and challenges that would send my counterpart in the United States into catatonic shock. Try this laundry list for size - fourteen years of double digit inflation, ten years of double digit interest rates, a Government imposed debt moratorium and the cutting off of foreign credit lines, a banana republic currency, devastating unemployment coupled with paradoxical labour problems (incessant strikes, work stoppages and stayaways), employees detained without trial, a State of Emergency, civil unrest, politically motivated consumer boycotts, the threat of international sanctions, and so on. Next to these, relatively normal burdens such as increased taxation, import surcharges, a spate of local bankruptcies and declining consumer demand pale into insignificance. It says something for the strength and resilience of the South African economy and infrastructure that companies not only survive, but continue to grow.

The roots of these problems lie squarely in the domain of politics, and it is for this reason that businessmen in South Africa have inevitably been drawn into the political arena, a role for which they are not particularly suited and which many find uncomfortable. In South Africa, however, politics and business are inextricably interwoven.

Unlike most countries, in South Africa business finds itself to the political left of Government and an important voice in the clamour for the reform programme to be accelerated and for apartheid to be abolished. But expectations should not run ahead of what business can actually achieve - business in South Africa does not have anything like the clout of business in the United States. In particular English speaking business has about as much effect on Government policy as a ping pong ball bouncing off a stone wall. The Afrikaans speaking business world is somewhat different as six or eight of its major figures do have the ear of Government, but they prefer to remain relatively silent, committed to a (failed) policy of "consultation and not confrontation".

Even in the English speaking business world, views are by no means cohesive. While there is some consensus on what is required to be done, there is a deep divide over tactics. For example, nearly all major South African businessmen voted in favour of the new Constitution that created the structure that seeks to dignify itself with the name of a "Tricameral Legislature", and most welcomed the imposition of the State of Emergency as a (forlorn) hope of restoring stability. Not many would publicly endorse the call for the release of Nelson Mandela and fewer still support the unbanning of the African National Congress.

As little as two years ago, I remember being subjected to a barrage of criticism and hate mail for suggesting that attitudes towards Mandela and the ANC should be re-examined. Not much has changed since then; the criticism has if anything increased, and the hate mail continues. However, there are now at least eight businessmen in South Africa who have joined the general international calls for Mandela's release, still a very small number but a significant group in terms of the companies represented which embrace some of the largest concerns in the country - Anglo American, Barclays Bank, Shell Oil, B.P., Prudential Assurance and others.

One of the major problems with South African business is that its leaders, with very few exceptions, have little or no contact with any Black political groups. Meetings with the multiracial United Democratic Front or the Black Consciousness oriented Azapo are virtually non existent, let alone the ANC. South African business leaders have no personal experience of the intensity and force of Black feelings, the strength of the underlying nationalism, or the anger and militance of Black youth. In fact, many overseas businessmen often get a better perception of the feelings in the Black townships, since their public relations departments carefully make a point of letting them do the rounds of Black political leaders, students, trade union officials and church leaders. Things have of course changed today - firstly, entering Black areas has become extremely difficult under the State of Emergency and is in any event a security risk. Secondly, Black leaders are less and less willing to meet overseas businessmen whom they see as part of an unholy alliance between apartheid and capitalism.

Much the same applies to South African Whites in general. We are legislated into White suburbs and Black ghettos and in most cases the only contact with Blacks is through domestic staff in a master/servant relationship, or in the workplace in an employer/employee relationship in which the White is nearly always cast as superior. Social contact between Whites and Blacks is absolutely minimal. This accounts to a great degree for the apparent normality of life in White South Africa, and for the "cloud cuckoo land" atmosphere which persists. Most White South Africans have never set foot in a Black residential area. What hope can they have of experiencing the bitterness that has been created or even of appreciating the monumental frustration that Blacks experience every day as they go about their lives?

President Reagan has badly misread the depth of the feeling among Blacks. The expressed moral repugnance of the United States for apartheid is simply not enough in Black eyes;

the US is expected to actually do something tangible to force its demise. The President's speech was predictably greeted by most Whites with relief and acclaim; by Blacks with dismay and anger.

These different reactions simply served to emphasise that we are a divided nation, split on the basis of colour, language, culture and aspirations. The potential cross-currents for conflict are mind boggling. White versus Black, Black versus Black and even White versus White. Take the Whites - there is an English/Afrikaans divide (reinforced from childhood by mandatory separate schooling), and within the Afrikaans group a worrying Neo-Nazi right wing divide. Among the Blacks, there are cultural and political differences of a serious nature; the ANC is pitted against Inkatha, Inkatha against the UDF, the UDF against Azapo. These differences are not insignificant, and have resulted in hundreds of deaths over the past year alone. Overlayed on this is the Black/White divide with polarisation increasing at an exponential rate as the Government resorts to rule by force and repression. The seeds of a monumental conflict are germinating, waiting only for South Africa's Sarejevo to burst them into an explosion of violence.

Phrases such as "race war" and "blood bath", once viewed as absurd exaggerations, have suddenly become political possibilities. Try as it may, the South African Government cannot lay the responsibility for this appalling state of affairs at the doors of the international community, the United Nations, Soviet Russia, or the ANC. While international hypocrisy prevails and double standards undoubtedly apply, the basic responsibility for this parlous state lies squarely with the Nationalist Government and its policies of apartheid. Half-hearted and grudging reforms, incompetently communicated and delivered too late, cannot absolve them from blame for bringing South Africa to the brink of national disaster, international isolation and economic crisis.

The South African Government is totally incapable of producing a solution to South Africa's problems, which can only come about through negotiation with people whom Blacks accept as leaders. Yet it must now be obvious to the ruling party that no Black leader of any credibility whatsoever will negotiate with them. From the ill-conceived Constellation of States to the now proposed National Statutory Council, every Government initiated structure for negotiation with Blacks has been shunned by any Black capable of giving that structure legitimacy.

Internally the Government has opted for repression and force, ignoring the fact that these policies have not worked in the past, either in South Africa or elsewhere. A look at the history book is instructive - force failed to crush burgeoning nationalism in, for example, Cyprus, Algeria, Kenya, Zimbabwe, Iran, the Phillipines and most graphically, Vietnam. In South Africa force has achieved no more than the radicalisation of Blacks on an unprecedented scale. Serious negotiation as a strategy has been abandoned - emergency powers, deprivation of civil liberties, bannings, arrests, detentions and censorship are the order of the day. Unless this recipe is urgently changed, the conflict can only proceed savagely and irreconcilably, as any other way will have been sealed off.

That civil unrest and violence has broken out is hardly surprising. Who can logically deny the inherent evil (and I use the word deliberately) of the Government's apartheid policies when one remembers the grotesque feats of social engineering involved in forced removals which affected the lives of millions of people? Or the decades of arrests under the Pass Laws which kept millions of ordinary people who had committed no crime in the accepted sense of the word, behind bars? Do we really expect these millions now to fall on their knees in gratitude because the Pass Laws have been repealed? Are we surprised that these policies (and the hundreds of other discriminatory statutes) have resulted in unprecedented bitterness and deep anger?

But it is no use trading backwards. We have to ask ourselves whether conflict can be avoided. Is there still time or has it gone too far? There is so much at stake, not only for South Africa but indeed for the Western world as well. As the London Financial Times recently put it, if South Africa goes wrong "half a Continent will slide away". What needs to be done?

Two things, in my opinion. Firstly, a declaration of intent is urgently required from President P W Botha stating in unequivocal and unambiguous terms that every vestige of statutory racial discrimination will be abolished; and here I agree with President Reagan - a timetable must be set. Unhappily discrimination exists in many countries, but only in South Africa is it entrenched in legislation. That is what sets us apart from every civilised country. There is no need for this declaration of intent to be negotiated; all that it requires is a pronouncement.

Secondly, negotiations must be opened with credible Black leaders on the thorny issue of political power. We cannot avoid this problem by tinkering with incremental political reforms. Political power is the ultimate issue to be addressed before South Africa can aspire to being a just society with equal treatment before the law for all its citizens. There will be no peace until this problem is resolved and it necessitates negotiations with credible Black leaders, some of whom are in jail or exile. The prerequisite for these negotiations is the unbanning of organisations like the African National Congress (a crucial component in the South African equation), and the release of Nelson Mandela and other jailed political prisoners. Negotiations with the ANC are an historic inevitability and the question is not whether, but rather when such negotiations will take place. The necessity for immediate dialogue flows precisely from the fact that no one side in the South African struggle can impose its will on the other without tragic human casualties and widespread destruction. The urgency for such dialogue flows from the fact that polarisation is taking place at an alarming rate.

I was one of the businessmen who were present at the historic meeting with the ANC in Zambia last year; I have met with the ANC on a number of subsequent occasions. Every meeting has been both constructive and cordial - while fundamental differences on several important issues of principle remain, these issues have been debated in a sane and rational manner without any underlying aggression or hostility and certainly without any finger pointing. We share a common ideal - an ideal of a democratic non-racial South Africa in which colour becomes irrelevant. That much is agreed. What we differ on are the tactics necessary to achieve that objective in the shortest possible time.

I am desperately concerned that the South African Government is making an historic and crucial mistake in refusing to negotiate with or recognise the ANC. South Africans know nothing else about the ANC, as they are totally cut off from any objective assessment by the ban on that organisation and its leaders. Furthermore, I believe that Western Governments are similarly making a tragic error by refusing to deal with the ANC at the highest possible level. There is a unique opportunity to do so - a self-fulfilling prophecy will simply be created if we persist (as President Reagan has just done) in labelling the ANC solely as bloodthirsty, Moscow directed, gun-toting terrorists. While there is undoubtedly a Soviet influence, there are many in the leadership with whom it is possible to negotiate a reasonable future. Opening gambits may seem extreme, but realpolitik will dictate that the final outcome of negotiation involves compromise on both sides.

The leadership of the ANC may be very different in three to four years, by which time thousands more will inevitably have died. Unless bridges are built with the West, Soviet domination of the organisation will become complete. As in Vietnam or Zimbabwe, both sides will have dug themselves into public rhetorical positions from which eventual compromise will become that much more difficult to achieve. It simply becomes a question of how many people have to die before negotiations commence.

No one can seriously doubt that lasting peace and stability will never be created in South Africa if the ANC is not involved. It certainly is not the only organisation to represent Blacks, but it is a critical element in any negotiation.

While politicians in South Africa prepare to dig in for the siege and Western Governments wonder what to do, conditions in South Africa worsen. Unless something is done now, South Africa may not have the luxury of a choice between P W Botha and the ANC; it may well be faced with a choice between a group far to the right of the present Government, and the steely-eyed kids who are facing the police in the townships on a daily basis and who are rapidly getting out of control. For we are breeding a generation of "killing fields children", brought up on a heady diet of bloodshed, cheap life, Molotov cocktails, "necklaces" and teargas. Even the ANC will find them hard to control.
Only one man may be capable of bringing the warring factions on the Black side together and the kids under control. We know little about him as he has spent the last twenty-four years in prison, but people who have recently visited him (such as Lord Barber and Helen Suzman) have come away deeply impressed with his moderation and his knowledge of what is taking place in the outside world. Can Nelson Mandela be South Africa's De Gaulle? There are of course no guarantees, but we have to take the chance, because in the words of Zach de Beer (a Director of Anglo American) South Africa has arrived at the point where it is faced with a choice between "disaster and danger".

The anti sanctions stand adopted by Mrs Thatcher and President Reagan has bought valuable time for South Africa. We can only hope that the reprieve will be wisely used by the South African Government to do what even the President said needed to be done - the release of Mandela, the unbanning of Black political organisations and the commencement of negotiations. It is a great pity that this was communicated in a speech which was perceived by Blacks, with justification, as patronising and supportive of

the South African Government. The US should not be surprised if Blacks in South Africa are increasingly driven to the Eastern Bloc for support.

However, on the issue of sanctions, the jury is still out - President Reagan is faced with an antagonistic Senate and Congress, Mrs Thatcher with an aggressive Commonwealth, and the South African Government with an angry Black population. If tangible results are not produced, the call for sanctions will then become irresistable; but those who lend it support would do well to realise that a quick fix solution will not be produced. Historically the South African Government's reaction to outside pressure has been belligerence and defiance. A standoff state enduring for many years might be the only result; suffering and deprivation will not only continue but increase, and many more lives will be lost.

There is a numerical and demographic inevitability about Black majority rule in South Africa. The only useful questions relate to when this will take place, and what sort of Government will be produced. This is now being gingerly discussed in South Africa, with even people such as Harold Pakendorf, ex-Editor of the Government supporting newspaper "Die Vaderland" acknowledging its certainty. We have to start the negotiation process towards Black rule very soon. The longer we wait, the more people who die and the greater the destruction, the more certain the probability that South Africa will end up with a government of retribution and revenge. And then we will echo the words of Tacitus - "They created a wasteland, and they called it peace."

CAROLINE RYDER - ON RETURN

CDP.

any views?

CR

Caroline

Useful, but not essential if we are very pressed for time

CDP

FILE

DA

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 August 1986

David Reddaway wrote to me on 14 August proposing that the Prime Minister should see Mr. Tony Bloom, the Chairman of Premier Milling, during one of his forthcoming visits to London. If at all possible the Prime Minister would like to see Mr. Bloom but we will not be able to arrange a meeting at the end of August. Perhaps you could contact Caroline Ryder again when you know the dates for Mr. Bloom's visit to this country in early October to see if suitable arrangements can be made.

(Timothy Flesher)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

Sandra in F.C.O. rang to say he will be here 29 Sept - 03 Oct. In consultation with CDP. Board dates were difficult so this is being dropped.
CR 3/9.

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

14 August 1986

Do you wish to see Mr Bloom? If so, the end of August is very busy - later on would be better.

Dear Tim

SOUTH AFRICA

The Foreign Secretary met a number of leading businessmen during his visit to South Africa in July. One who particularly impressed him, Mr Tony Bloom, the Chairman of Premier Milling, is visiting London at the end of August.

Mr Bloom, now aged 47, is one of that small group of English-speaking business leaders who have taken a strong stand against apartheid and the South African Government's internal policies for many years. He is a leading member of the Johannesburg Jewish community and has strong British connections; until 1982, Premier Milling was a major British subsidiary (Associated Biscuits) and Mr Bloom is on the board of a number of other companies including Barclays Bank's South African subsidiary. He has been one of the foremost proponents of improving the training and education of black workers in South Africa, of dealing with South Africa's black trade unions, and of the need for the private sector to take a major part in promoting better social conditions for black South Africans. He was one of the small group of South African business leaders that held a much-publicised meeting with ANC leaders in Zambia last September.

/Lady

Tim Flesher Esq
10 Downing Street

Lady Young believes that the Prime Minister might find a discussion with Mr Bloom interesting and useful. She recommends that, if time permits, the Prime Minister should invite him to pay a brief call at Number 10. Mr Bloom could call on the Prime Minister on or shortly after 28 August. If this is not convenient, he expects to be in Britain again in early October. If the Prime Minister would wish to meet Mr Bloom, we should inform our Consul General in Johannesburg as soon as possible, so that he can tell Mr Bloom.

Yours sincerely

David Reddaway

David Reddaway
Private Secretary to
Baroness Young