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*From the Private Secretary*

5 January 1987

**SOUTH AFRICA: SIR MICHAEL EDWARDES**

Thank you for your letter of 2 January about the Foreign Secretary's meeting with Sir Michael Edwardes. The Prime Minister has read this with interest. While she agrees with the Foreign Secretary's cautionary comments, particularly about the timing of Pik Botha's approach and any western response to it, she would not go so far as to dismiss it as a "most unpromising initiative". She thinks that sooner or later we shall again have to discuss the EPG formula, or variations on it, with the South African Government. We should therefore continue to work at ways of tackling this problem, and discuss them with the United States and FRG.

C. D. POWELL

Colin Budd, Esq.,  
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