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BRITISH EMBASSY

PRETORIA

14 July 1988

W K Prendergast Esq
SAFD
FCO

Dear Kieran,

BUTHELEZI

1. When I visited Durban yesterday Buthelezi sent me the attached memorandum setting out his views, which he asked to be passed on to the Prime Minister before his meeting with her on 27 July. I have highlighted the key passages and would be grateful if you would pass it on, with a summary, to No 10 and to the Secretary of State before the meetings.
2. The memorandum sets out Buthelezi's views in familiar terms. On aid, he reflects the point I have impressed on him, namely that our assistance goes directly to projects and individuals and not through any political structures (whether UDF or Inkatha). He also makes elaborate proposals for increased "positive engagement" by British companies. Some aspects eg an elaborate monitoring body, are impractical. But the Prime Minister might say that we will study these ideas. Major British companies operating in South Africa, such as Unilever and Turner and Newall in his own area of Natal, already are engaged in much the way Buthelezi advocates. The Prime Minister could assure Buthelezi that we will be encouraging all British companies in South Africa to develop further their positive and social programmes. BP, Shell, Rio Tinto, Reckitt and Colman and others have been doing just that. In 1986 British companies operating in South Africa spent more than Rand 140 million on health, welfare, pensions and education programmes of benefit to their black employees.
3. Buthelezi also enclosed a copy of a letter he has received from Heunis, representing the latest attempt by the South African Government to persuade him to participate in the "National Council". This is full of typical Heunis gobbledygook. It offers no positive proposals and no firm basis for Buthelezi to participate. What the Government is trying to do is to draw him into talks on their own terms. Buthelezi for his

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part is continuing to insist, as you know, that Mandela must be released and black participation in the national parliament must be on the agenda before he will consider participating.

4. I will telegraph to you before the meeting (a) a round-up on the political scene here and (b) an account of our aid programmes in KwaZulu and Natal.

Yours ever,

Robin

R W Renwick

cc: Alan Holmes Esq MBE, DURBAN
(+ encs)

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