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FM PRETORIA

TO DESKBY 251100Z FCO

TELNO 145

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INFO ROUTINE LUSAKA, HARARE, WASHINGTON, MAPUTO

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SOUTH AFRICA: THE POLITICAL SCENE

SUMMARY

1. BUTHELEZI IMPATIENT AT P W BOTHA'S REFUSAL TO ENGAGE IN REAL NEGOTIATIONS. THE GOVERNMENT'S HALF-HEARTED REFORM INITIATIVES WILL NOT WORK. THE ECONOMY SUBJECT TO SEVERE CONSTRAINTS ON GROWTH IN THE ABSENCE OF MORE CREDIBLE REFORM MEASURES. THREAT OF FURTHER SANCTIONS NEXT YEAR, BUT BRITISH EXPORTS INCREASING. SOME PROGRESS ON ANGOLA/NAMIBIA AND MOZAMBIQUE. BUTHELEZI WILL CONTINUE TO INSIST ON THE RELEASE OF MANDELA AND GENUINE POWER-SHARING.

DETAIL

2. BUTHELEZI WILL BE CALLING ON THE PRIME MINISTER AND YOU ON 27 JULY. HIS VIEWS WERE SET OUT IN MY TELNO 150 AND THE MEMORANDUM HE HAS SENT TO THE PRIME MINISTER. BEFORE THE MEETINGS YOU WILL WISH TO HAVE AN UP-DATED PICTURE OF THE POLITICAL SCENE.

3. FOLLOWING THE REPRESSIVE ACTION TAKEN AGAINST ALL THE MAIN BLACK ANTI-APARTHEID ORGANISATIONS EXCEPT BUTHELEZI'S INKATHA IN FEBRUARY, THE MAIN EFFECT OF WHICH WAS TO INCREASE THE PRO-SANCTIONS PRESSURES IN THE UNITED STATES, P W BOTHA HAS PUSHED AHEAD WITH THREE INADEQUATE REFORM INITIATIVES. THESE ARE:

(A) LEGISLATION TO PROVIDE FOR THE SETTING UP OF A 'NATIONAL COUNCIL' IN WHICH THE HOMELAND LEADERS AND REPRESENTATIVES OF THE BLACK MUNICIPAL COUNCILS ARE INVITED TO DISCUSS FUTURE CONSTITUTIONAL ARRANGEMENTS. BUTHELEZI HAS DECLINED TO PARTICIPATE SO LONG AS MANDELA AND OTHERS ARE NOT RELEASED. MOST OF THE OTHER HOMELAND LEADERS ARE LIKELY TO FOLLOW HIS LEAD. BUTHELEZI'S OTHER DEMAND IS THAT THE MAIN SUBJECT OF DISCUSSION SHOULD BE BLACK PARTICIPATION IN THE NATIONAL PARLIAMENT AND THAT AT PRESENT IS RULED OUT BY THE SOUTH AFRICAN GOVERNMENT. THEY ARE STILL TRYING TO CO-OPT BLACK FIGURES WITH NO REAL STANDING, RATHER THAN TRYING TO ATTRACT

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THE COOPERATION OF BLACK LEADERS WITH A REAL FOLLOWING, INCLUDING BUTHELEZI, BECAUSE THAT WOULD ENTAIL A GENUINE SHARING OF POWER.

(B) CHANGES TO THE GROUPS AREAS ACT, SO THAT SOME AREAS CAN BE DECLARED "OPEN" FOR SETTLEMENT BY ALL RACES. THIS WILL ENABLE THE GOVERNMENT TO LEGALISE THE EXISTING SITUATION IN THE RACIALLY MIXED SUBURBS OF HILLBROW IN JOHANNESBURG AND WOODSTOCK IN CAPE TOWN AND TO MAKE SOME AREAS OPEN FOR SETTLEMENT BY NON-WHITES. BUT AT THE SAME TIME THE GOVERNMENT ENVISAGES REINFORCING THE PROVISIONS OF THE GROUP AREAS ACT IN THOSE AREAS - THE GREAT MAJORITY - WHICH WILL NOT BE OPENED. GREATLY INCREASED PENALTIES WILL BE INTRODUCED FOR NON-WHITES LIVING ILLEGALLY IN "WHITE" AREAS. THIS WILL AFFECT A LARGE NUMBER OF MIDDLE CLASS BLACKS, COLOURED AND INDIANS WHO ARE LIVING OUTSIDE THE TOWNSHIPS. THESE NEW ENFORCEMENT PROVISIONS HAVE BEEN CRITICISED EVEN BY SOME OF THE PRO-GOVERNMENT NEWSPAPERS HERE. THE AIM IS TO TRY TO PLACATE RIGHT WING VOTERS WHO ARE DRIFTING AWAY TO THE CONSERVATIVE PARTY. THIS BOTCHED INITIATIVE WILL SUCCEED NEITHER IN ATTRACTING SUPPORT AMONG NON-WHITES, NOR IN ARRESTING THE INCREASE IN RIGHT WING SUPPORT. THIS IS TYPICAL OF THE DILEMMA IN WHICH THE NATIONAL PARTY NOW FINDS ITSELF AND OF THE LACK OF REAL LEADERSHIP, WHICH IS MORE BADLY NEEDED THAN EVER AND WHICH IT IS FAILING TO DISPLAY.

(C) DRAFT LEGISLATION TO ENABLE THE PRESIDENT TO APPOINT A BLACK MINISTER TO THE CABINET. ONE CANDIDATE UNDER CONSIDERATION IS MAVUSO, A FORMER LIEUTENANT OF BUTHELEZI WHO BROKE AWAY FROM INKATHA AND JOINED THE TRANSVAAL PROVINCIAL ADMINISTRATION. THE APPOINTMENT OF A BLACK TO THE CABINET WOULD BE AN IMPORTANT IDEOLOGICAL BREAK WITH THE PAST AND UNTHINKABLE UNDER VERWOERD. BUT THE CANDIDATES FOR INCLUSION HAVE NO REAL SUPPORT: AND IF A BLACK CABINET MEMBER WERE APPOINTED, HE WOULD BE LIKELY TO BE RESPONSIBLE ONLY FOR BLACK EDUCATION (EDUCATION IS DIVIDED BETWEEN FOUR SEPARATE MINISTRIES HERE, DEALING SEPARATELY WITH BLACK, COLOURED AND WHITE EDUCATION, PLUS TEN FURTHER EDUCATION MINISTRIES IN THE HOMELANDS).

4. THE GOVERNMENT WILL LOSE FURTHER GROUND TO THE RIGHT WING IN THE WHITE MUNICIPAL ELECTIONS IN OCTOBER AND THERE WILL BE A LOW TURN-OUT IN THE BLACK MUNICIPALITIES. THE LAW AND ORDER SITUATION, HOWEVER, REMAINS WELL UNDER CONTROL.

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THE SERIOUS UNREST OF 1984-86 HAS BEEN EFFECTIVELY SUPPRESSED, WITH MANY OF THE INTERNAL ANC AND UDF LEADERS IN DETENTION. THE ANC HAVE BEEN INTENSIFYING THEIR EFFORTS TO STEP UP THE ARMED STRUGGLE. IN A SERIES OF RECENT BOMB EXPLOSIONS, INCLUDING ONE OUTSIDE THE RUGBY STADIUM IN JOHANNESBURG, CIVILIANS HAVE BEEN KILLED OR INJURED, FURTHER HARDENING WHITE ATTITUDES.

5. OVER THE PAST DECADE THE SOUTH AFRICAN ECONOMY HAS FAILED TO GROW AT A RATE SUFFICIENT TO KEEP ABREAST OF THE INCREASE IN THE POPULATION. 1987 WAS A BETTER YEAR, WITH 2.6 PER CENT ECONOMIC GROWTH. BUT ACTION HAS HAD TO BE TAKEN TO COOL DOWN THE ECONOMY AS SOUTH AFRICA STARTED TO SUCK IN IMPORTS AND CONTINUES TO HAVE NO SIGNIFICANT ACCESS TO FRESH EXTERNAL CAPITAL. THE GOVERNMENT PAYS LIP SERVICE TO PRIVATISATION BUT SHIES AWAY FROM TAKING THE DIFFICULT DECISIONS NEEDED TO SEE SUCH A PROGRAMME THROUGH, THOUGH THERE IS SOME PROGRESS WITH DEREGULATION AND THE EXPANSION OF THE INFORMAL SECTOR. THERE HAVE BEEN SOME FURTHER CASES OF DISINVESTMENT. BUT OUR EXPORTS ARE FORGING AHEAD AND WILL EXCEED ONE BILLION POUNDS THIS YEAR. WE HAVE RECENTLY WON FURTHER IMPORTANT ENGINEERING CONTRACTS FOR THE MOSSEL BAY OIL FROM GAS PROJECT AND THE SOUTH AFRICAN STEEL INDUSTRY.

6. THE GOVERNMENT'S PERFORMANCE IS CAUSING INCREASING CONCERN TO THINKING AFRIKANERS. THE GOVERNOR OF THE RESERVE BANK, WITH WHOM WE KEEP IN CLOSE TOUCH, HAS BEEN SAYING PUBLICLY THAT WITHOUT POLITICAL REFORM THERE WILL BE NO FASTER ECONOMIC GROWTH. THE HEAD OF THE REFORMED CHURCH HAS BEEN EXPRESSING CONCERN AT THE SOUTH AFRICAN INVOLVEMENT IN ANGOLA AND THE LEADING AFRIKAANS NEWSPAPER 'BEELD' HAS STARTED CALLING FOR THE RELEASE OF MANDELA. THE HEAD OF THE BROEDERBOND ALSO IS CRITICAL OF THE GOVERNMENT'S FAILURE TO RESOLVE THE MANDELA ISSUE.

7. EXTERNALLY THERE ARE WORRIES ABOUT FURTHER SANCTIONS NEXT YEAR FROM THE U S AND THAT THE OIL COMPANIES WILL COME UNDER INCREASING PRESSURE TO WITHDRAW. THE SOUTH AFRICANS SO FAR HAVE BEEN PARTICIPATING CONSTRUCTIVELY IN THE PEACE DISCUSSIONS ON ANGOLA/NAMIBIA. THEY WILL CONTINUE TO INSIST THAT ALL CUBAN FORCES MUST BE WITHDRAWN FROM ANGOLA ON THE SAME TIME-SCALE AS A NAMIBIA SETTLEMENT AND THAT PEACE WILL NOT BE ACHIEVED UNLESS THERE IS SOME AGREEMENT BETWEEN THE ANGOLAN GOVERNMENT AND UNITA. P .W. BOTHA HAS ORDERED A

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REDUCTION IN SOUTH AFRICAN SUPPORT FOR RENAMO. POSITIVE EFFORTS ARE BEING MADE TO REVIVE THE NKOMATI AGREEMENT WITH MOZAMBIQUE AND THIS COULD LEAD TO A MEETING BETWEEN BOTHA AND CHISSANO. THE SOUTH AFRICAN SECURITY FORCES WILL CONTINUE TO TRY TO FIGHT FIRE WITH FIRE IN THEIR ATTACKS ON ANC TARGETS OUTSIDE SOUTH AFRICA.

8. THE PRIME MINISTER WILL FIND BUTHELEZI POINTING OUT THAT THE ANC HAVE LITTLE TO SHOW FOR 26 YEARS OF "ARMED STRUGGLE". BOMB ATTACKS HARDEN WHITE RESISTANCE AND INCREASE THE INFLUENCE OF THE MILITARY : THERE IS NO POSSIBILITY FOR THE FORESEEABLE FUTURE OF "LIBERATING" SOUTH AFRICA BY THAT ROUTE. BUTHELEZI REMAINS ADAMANTLY OPPOSED TO FURTHER SANCTIONS AND DISINVESTMENT. HIS DEPUTY, DHLOMO, HAS SAID THAT BLACK SOUTH AFRICANS WANT TO BE LIBERATED "ON THEIR FEET, AND NOT AS CORPSES OR UNEMPLOYED MENDICANTS". THE PROBLEM IS THAT JUST AS THE ANC HAS LITTLE TO SHOW FOR ITS CAMPAIGN OF VIOLENCE, SO BUTHELEZI HAS LITTLE TO SHOW FOR HIS CAMPAIGN FOR PEACEFUL POLITICAL CHANGE. HIS INFLUENCE IS BEING CHALLENGED BY THE ANC AND UDF AMONG BLACK URBAN YOUTH IN THE TOWNSHIPS NEAR DURBAN AND AROUND PIETERMARITZBURG, WHERE VIOLENT CLASHES BETWEEN INKATHA AND THEIR OPPONENTS HAVE RESULTED IN 400 DEATHS OVER THE PAST YEAR. BOTH SIDES ARE EQUALLY RESPONSIBLE AND THIS INTRA-BLACK VIOLENCE CARRIES WITHIN IT THE SEEDS OF A GREAT DEAL OF TROUBLE FOR THE FUTURE. BUTHELEZI RETAINS BY FAR THE LARGEST MEASURE OF SUPPORT AMONG THE SIX MILLION ZULUS IN SOUTH AFRICA, BUT HAS LITTLE SUPPORT AMONG NON-ZULUS. FAR FROM BEING, AS SOME TRY TO PORTRAY HIM, ANOTHER MUZOREWA, BUTHELEZI IS A FORMIDABLE AND IMPRESSIVE FIGURE WHO KNOWS ABOUT POWER AND HOW TO EXERCISE IT. HIS OBJECTIVE IS EITHER GENUINE POWER-SHARING AT THE CENTRE, INCLUDING DIRECT BLACK REPRESENTATION IN PARLIAMENT: OR, FAILING THAT, REAL POWER-SHARING IN NATAL ON THE LINES OF THE INDABA PROPOSALS. ON BOTH COUNTS AT PRESENT HE IS THWARTED BY THE GOVERNMENT'S RELUCTANCE TO SHARE REAL POWER AND THE FACT THAT THEY REMAIN TOO FRIGHTENED OF THE POSSIBLE CONSEQUENCES TO RELEASE MANDELA. ALTHOUGH BUTHELEZI IS AT LOGGERHEADS WITH THE ANC, HE AND MANDELA HAVE REFRAINED FROM ATTACKING ONE ANOTHER. BUTHELEZI DOES NOT AGREE WITH MANDELA POLITICALLY, BUT INSISTS THAT HE TOO MUST BE FREE TO EXPRESS HIS VIEWS.

9. PLEASE SEE MIFT ABOUT OUR AID TO NATAL AND KWAZULU.

10. FCO PLEASE ADVANCE TO NO 10 DOWNING STREET.

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