

MEMORANDUM FOR PRESENTATION TO THE RT. HON MRS. MARGARET THATCHER  
PRIME MINISTER OF GREAT BRITAIN  
BY MANGOSUTHU G. BUTHELEZI, CHIEF MINISTER OF KWAZULU  
AND PRESIDENT OF INKATHA  
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I greatly appreciate another opportunity to present my views to you, Madam Prime Minister, about the South African situation. South Africa's fate really does hang in the balance. It is no longer a question of whether or not our white minority government which has been kept in power by draconian measures can maintain apartheid. That question has already been decided. Apartheid is doomed; it simply cannot survive indefinitely and it is only a matter of time before it is dismantled.

It is because apartheid is doomed that there is now so much at stake. What we now do in South Africa and how we finally eradicate apartheid, will determine the kind of society we will have to replace apartheid society. There is therefore so much more at stake for different political groupings in South Africa. Not only is the struggle against apartheid continuing to produce a conflict situation but black-on-black conflicts have assumed unprecedented proportions.

Black politics and white politics are in the melting pot; no political grouping in opposition to apartheid has yet emerged to dominate and perhaps more importantly, we as yet do not know what the final cost of removing apartheid is going to be. It is therefore difficult to envisage the unfolding of future politics. I know that a post-apartheid democracy could only be established and kept intact if there is a national will to produce the kind of wealth that it would take to make political change meaningful to the black masses. It is distinctly possible that the eradication of apartheid will be so costly in human terms that the black/white goodwill necessary for making a national economic effort will be destroyed. It is also distinctly possible that the cost of a struggle against apartheid which destroys the South African economy will be so great that no government of any kind could govern for the benefit of the people.

We really do face critical issues and the future really is in the balance. What the international community now does, and in particular what the Western nations with economic and political clout now do, could have an extremely beneficial or an extremely detrimental effect. Blunders in critical times are costly and I fear that the heightened international concern about apartheid which has been evidenced in recent times, has not thus far led to really constructive involvement.



I would like, Madam Prime Minister, to express my own deep appreciation for the quality of your international leadership on the South African issue. You have been bold where Black South Africa desperately needed you to be bold. You have stood firm where we desperately needed you to stand firm and your pragmatism about what can work and what cannot work has, I am sure, thus far averted a major debacle. Had you, Madam Prime Minister, not stood firm on the sanctions issue and had you not held your own in Commonwealth discussions, EEC discussions and discussions between yourself and your American friends, we could well by now have seen the destruction of the South African economy. You, Madam Prime Minister, could have tipped the scales in the direction of destroying the South African economy in the hope of destroying apartheid. This would, of course, also have destroyed the prospects of a democracy after apartheid.

I speak for millions of Black South Africans when I thank you for your opposition to the punitive economic isolation of South Africa. I would also, Madam Prime Minister, like to thank you for sending an Ambassador to South Africa of the calibre of Mr. Renwick. His selection is so appropriate that I feel that you must have hand-picked him yourself for the post. Every occasion on which I have met him I have come away from the discussions we had, encouraged by the fact that when you chose to act in South Africa you would have somebody there to undertake assignments no matter how difficult they were.

I believe that you and your Government took a very wise decision to administer the funds yourselves that you make available for projects in South Africa. Every black organisation which does not join in the kind of confrontationist tactics championed by the UDF and COSATU and backed by the ANC, receive no benefits from the Kagiso Trust into which the EEC is pouring millions. The Kagiso Trust is a party political organisation and your Government's decision not to put its development aid money at party political risk, is thus all the more important.

When I look around the world knowing that apartheid has become internationalised and that international involvement in attempts to eradicate apartheid can only escalate, I have to ask myself what country in the world can play what kind of role. Russia has been heavily involved in South Africa for many years now. Attempts to mount an armed struggle against apartheid would not even have begun without Russian support. Not only has Russia given the ANC support in arms and ammunition and in military training, but the Kremlin has also given the ANC invaluable diplomatic assistance.

One of the reasons why the fate of South Africa hangs in the balance is because South African revolutionary forces have been put on the map by the Soviet Union. When I look at the international community and realise these facts, I have immediately to caution myself by saying that I am aware that the intentions of the Kremlin



in the 1960's were in all probability very different to the Kremlin's intentions now. If the Kremlin has changed its intentions it may become a different kind of actor in South and Southern Africa.

I have always said that Black South Africans would regard Britain as the most honest of all honest brokers. There is that special quality about British diplomacy that I believe is called for in the circumstances we are now facing. Who other than yourself, Madam Prime Minister, could explore what implications the changed intentions of the Kremlin have for South Africa? You stand in the unique position of having historic responsibilities to help in the South African situation while at the same time you have open lines of communication to Commonwealth countries, African countries, Non-aligned countries and you have direct access to all the Heads of State in the Free World.

At that very critical ripeness of time your Party, Madam Prime Minister, moved with sure-footed diplomacy to settle the Zimbabwean question. The South African question is different. Your responsibilities are not so direct because not all white South Africans have British passports. But I do believe that the quality of your statesmanship could now do something to ensure that that which Great Britain started doing in South Africa last century, finally gave rise to democracy and prosperity in security for all.

I recently had the opportunity of talking to General Olusegan Obasanjo when we attended the same conference in Portugal in May. He was expressing his concerns, which he believed others, shared that the ANC and Inkatha were facing each other in a state of conflict. He believed that it was now time that we settled our differences and produced a united front. I found it interesting that in this discussion he talked about possibly being able to persuade you, Madam Prime Minister, to approach Dr. Kenneth Kaunda to persuade him to act as a reconciler. This suggestion again confirmed to me that I was not alone in believing that you, Madam Prime Minister, and your government, could play important roles in South and Southern Africa.

I believe that relationships are at a very difficult phase of development between Inkatha and the ANC. I am very pleased to have this opportunity of informing you directly Madam Prime Minister, that I would respond positively to any indications that the ANC was serious about wanting to have talks with Inkatha. The move will have to come from their side, however, because it is the ANC that has declared war on Inkatha. It is the ANC which is sending insurgents into South Africa with hit lists on which my name appears. It is the ANC which has declared Inkatha to be its main enemy in South Africa and it is the ANC which has mobilised UDF and COSATU forces to confront Inkatha with violence.



The intensity of the dispute about what kind of society we are going to have in South Africa after apartheid is becoming very problematic for ANC/Inkatha relationships. I am struggling to establish the freedom within which Blacks can choose their own leaders, decide themselves which Party they want to support and to be authors of their own destiny by being free to elect a government and influence its policies. Nobody could seriously doubt that the ANC is conducting itself in the struggle for liberation to ensure that it emerges as a government returning from exile.

Not only is there this fundamental difference between Inkatha's approach and the ANC's approach, but there are other factors which must be taken into account. I am struggling to preserve the best that there is in South Africa. However hideous colonialism was, Britain did leave behind her foundations for institutions that really are worth preserving. Parliamentary rule, the rule of law, the freedom of the press, have all been established as ideals. Not only this, but the sound banking system, sound civil service institutions, sound commercial, industrial and mining developments respecting the idiom of contract, are all there intact.

South Africa, of all the countries in the developing world, is the most propitiously placed to make rapid economic advances after the elimination of minority racist rule. Radical political change in South Africa need not lead to a situation in which the international community will face problems far more enormous than the problems it will yet have to face as a result of Mozambican developments. For me it will be criminal to eradicate apartheid at the expense of destroying South Africa's economic foundations which will be so vitally important in the period of reconstruction after apartheid.

The ANC, however, is doing everything in its power to popularise the view that apartheid is synonymous with capitalism. Its commitment to a socialist future has emerged as a consequence of its radicalisation. Madam Prime Minister, whatever anybody does is not going to bring Pretoria to its knees overnight. There are still bitter times ahead and the radicalisation of the ANC will continue and deepen. They are already now planting bombs on sidewalks, in supermarkets and in places of entertainment. They do so as they talk about intensifying the armed struggle. They are trying to develop what they call a people's war. They want to spread violence in every way possible and everywhere possible. They want to destroy continuity and whatever they say for Western consumption, it is inevitable that an ANC which could possibly eventually be won could only lead to a one-party socialist State.

Whatever members of the international community do, they must be aware that there are two levels of conflict in South Africa. Whatever any country does to assist in the eradication of apartheid will make inputs into black-on-black confrontations. Whatever a foreign government does to assist the ANC, tips the scales in



favour of an ANC-type future. Whatever a foreign government does to assist Inkatha, tips the scales in favour of an Inkatha-type future.

The whole question of the punitive economic isolation of South Africa simply must be debated within the context of the second level of conflict in South Africa. Those who call most for sanctions, are most committed to revolution being used to bring about a one-party socialist State. Those who call for sanctions the loudest who are not committed to revolutionary violence are the most committed to do whatever they can to help the ANC emerge as the dominant force.

Madam Prime Minister, I believe that members of the international community who are not in favour of mandatory sanctions against South Africa are under-achieving. It is, I believe, rather tragic that governments which are opposed to sanctions have not seen the urgent necessity that there is of doing more than abstaining from imposing sanctions. They need to do more than allow whatever free trade can take place within narrowing opportunities to do so. I believe that if sanctions are wrong, those that are applied do damage. If it is wrong to do damage, then it is right to act to offset the damage.

Wrong labels given to sound political innovations detract from them and can even destroy them. I think it would be wrong of us at this juncture to talk about codes of conduct. We have had the Sullivan Code, we have had the EEC Code but I am left wondering why attempts to use the economic clout which gives rise to political clout of foreign investors in South Africa, were not intensified when that which was done failed. When I add this thought to my own perception of the need that there is to offset the damage which sanctions already applied are having, then I see scope for action on the part of the international community, and on the part of Britain in particular, to do something really constructive for all Blacks in South Africa.

The lobby for economic sanctions (which includes trade boycotts and disinvestment) has snowballed to the extent that only relatively few countries still have active investment in South Africa and trade relations. The battle lines are being drawn for what South Africa's antagonists hope will be the final struggle to achieve total economic isolation of this country.

While the exponents of this approach are perfectly clear about their aim of ridding the country of its present government, they are less clear - to the point of reticence - on a number of related issues. For example:

- a) How long will it take for the South African Government to be forced to capitulate or at least agree to a democratic power-sharing system?



- b) What are the consequences should the South African Government not relinquish control? In particular, what are the implications for the country's economy and for the vast majority of the population who are economically vulnerable?

If the sanctions/disinvestment approach were assured of the quick achievement of its goal, there might be no possible argument against it. But the evidence so far is: a) Increased Government intransigence in the face of threats, while political groups to the right of the Government use these international actions to great effect, galvanising a hardline white solidarity; and b) About 60 000 jobs have already been lost as a result of disinvestment and another 150 000 as a result of lost international trade. Other estimates offer higher figures than these. All these lost jobs are those of black workers and there is a well-known statistic that each black breadwinner feeds, on average, 12 mouths. This means that 2,5 million black people are worse off than before because of sanctions. The international experience has been that poverty radicalises, criminalises, is a health hazard and undermines youth education. These effects are already very apparent in South Africa's black townships.

Despite unsubstantiated arguments to the contrary, there can be no doubt that the vast majority of South Africans who oppose apartheid also strongly oppose the disinvestment/sanctions strategy.

People who champion sanctions, have often asked: "If not sanctions...what else?" This is a question to which there are answers which could not only influence opinion to a point where the disaster of the current course is averted, but could offer a course of alternate economic action aimed at bringing about a liberated and democratic South Africa.

The mass upward mobility of Blacks in South Africa by way of a strategy of economic upgrading offers a number of benefits:

- a) An arresting of poverty and therefore an arresting of poverty-related behaviour such as communal violence.
- b) An environment which is better conducive to family life, community development and the pursuit of education and skills.
- c) Increased spending power.

Blacks are equipping themselves on a large scale to fill the thousands of positions of influence which are available due to the chronic shortage of skills in South Africa. With increased spending power Blacks will exert greater influence and have greater power as consumers in the economy. At present, Blacks are



responsible for 48 percent of consumer spending. If this could be increased to something like 65 percent, black economic power would have become such a major factor that a re-arrangement of the priorities of commerce and industry and infrastructural development and a realignment of social forces would have to take place to accommodate the contributory value of the upwardly mobile masses.

In theory - and by historical precedent as well - there comes a point where the national systems and structures become vulnerable to the extent that they are dependent on the interests of this upwardly mobile group. It is then likely that the forces in power will opt for negotiating a future system in which they relinquish control in exchange for being allowed "player" status in the new system. Otherwise the forces in power will arrive at a point where they are rendered ineffective by logistics and are in danger of being altogether undermined.

To translate these theories into a plan of action requires identification of the issues which need to be addressed. These may then be listed as objectives and a feasible plan of action drawn for the objectives.

#### A suggested list of objectives:

- a) Economic upliftment of Blacks.
- b) Greatly increased educational opportunities for Blacks.
- c) Promotion of the black family model.
- d) Social integration of all South Africa's race groups.
- e) A redistribution of wealth.
- f) The elimination of racial discrimination.
- g) Stimulation of job creation.
- h) Elimination of the exploitation of labour.
- i) Protests against apartheid.
- j) Enhancement of the quality of life for Blacks.
- k) The encouragement of industrial decentralisation to stimulate economic growth in rural communities.

To achieve these objectives, two plans of action could be considered.

We need a plan of action which addresses all the stated objectives in feasible terms and takes into account the likely foreign policy actions of countries which would wish to support the principles contained in such a plan. It also considers the likely economic effects on the entire sub-continent. It considers practicalities regarding implementation, the mechanics of control, the likely attitudes of the South African Government and the plan's probable acceptability to other major players such as foreign and local business.



The Conditional Trade/Investment Strategy offers substantial benefit to all major participants including the currently disadvantaged peoples of South Africa, overseas investors, foreign governments, the South African business community and, indeed, all the peoples of sub-Saharan Africa.

Conditional Trade/Investment prescribed action for all firms operating in South Africa (foreign and local), requiring them to accept certain practices which, if accepted on a large scale, should provide the driving force behind the desired transition of society. Conditional Trade/Investment goes far beyond the Sullivan Code in content and in implication - though there are conceptual parallels.

Finer details of the plan are open to further debate as to how maximum effect can be achieved. The Strategy, as itemised, should therefore be seen in a broad context with the emphasis on its value as a viable, integrated and solid strategy which, with further imaginative input, could be brought to fruition.

#### Outline of Conditional Trade/Investment Commitments

##### a) Education:

- (i) Employers to offer literacy and basic skills programmes to all black employees. This addresses the need of those generations who, through lack of basic formal education, find themselves disadvantaged.
- (ii) Employers to run modern world orientation education for employees and their families. This could be by video showings on such topics as: How to use the legal system/how to plan personal finances/ personal health care/ the importance of education/ the role of the trade unions...etc
- (iii) Employers to offer subsidised education to a certain number of children (two, for the sake of argument) of every black employee with more than a stipulated minimum period of service.
- (iv) Employers to introduce strategic staff training with a view to promotion of black skills on the factory floor and the integration of Blacks in the upper strata of the corporate hierarchy.
- (v) Employers to offer university/college bursaries to a selection of deserving black individuals.

##### b) Economic upliftment:

- (i) Employers to pay all employees equal wages for comparable work.



- (ii) Employers to at least meet predetermined minimum wage levels for workers, especially those classified as industrial labour.
- (iii) Employers to consider productivity and initiative-linked incentive pay schemes.
- (iv) Employers to conform to stringent criteria that discourage retrenchment.

c) Employee relations:

- (i) Employers to encourage racial mixing by initiating social gatherings and sports activities among staff.
- (ii) Employers to insist on courtesy codes in all employee interaction.
- (iii) Employers to encourage a constructive labour union involvement, to advance labour interests.

d) Working conditions:

- (i) Employers to enforce non-segregation of races in any part of the working environment.
- (ii) Employers to comply with predetermined conditions at the workplace - especially on the factory floor.

e) Transport:

Employers to take sympathetic action in respect of the commuting difficulties experienced by many employees.

f) Housing:

Employers to introduce revolving loan schemes to assist employees with their housing requirements.

g) Health :

- (i) Employers to offer a regular clinic facility to black employees and their families.
- (ii) Employers to encourage black employees to join an established medical aid scheme.
- (iii) Employers to provide disability-type insurance for employees.

h) Social :

Employers to join together in sponsoring social/sports facilities in black townships - especially facilities for the youth.



## i) Redistribution of wealth:

- (i) Firms to do business wherever possible with small black businessmen, including the informal sector.
- (ii) Employers to negotiate share ownership schemes for black employees.
- (iii) Many of the practices mentioned above amount to a redistribution of the firm's profits for the upgrading of Blacks.

## j) Job creation/protection:

- (i) See i (i) above.
- (ii) Major firms to consider the franchising of production processes to black entrepreneurs.
- (iii) Employers to use excess profits to create new ventures instead of buying out competing firms and rationalising activities at the cost of jobs.
- (iv) Firms to consider the employment of venture capital in rural industrial development programmes.

## k) Political change policy:

- (i) Employers to bring pressure to bear on the Government to rescind apartheid legislation.
- (ii) Employers to encourage the Government to work toward a democracy based on full participation by all South Africans.

The above suggestions have implications for the earnings of employer firms. They are asked to forfeit a percentage of profits to meet the financial requirements of implementing these principles. Certain protagonists of Disinvestment might be motivated by morality and altruism. The plan might appeal to others because it offers a stable environment in which they can continue to operate profitably. However the plan's success would depend on the number of subscribers. It clearly requires additional incentives which make it the natural course for the business community to subscribe - and perhaps disincentives to resisting subscription.

## Suggestions include:

## A - Foreign companies in South Africa

- (i) Subscribers to have the blessing and encouragement of their own governments and be granted a degree of trade advantage.



- (ii) Subscribers are allowed to receive further investment from their foreign parent companies.

#### B - Local companies:

- (i) Foreign governments open their internal markets to the products of subscribers, where they compete on their own merits.
- (ii) Foreign governments allow locally-based subscribers to import the latest technology and expertise. Previously embargoed raw materials are also made available to subscribing companies.
- (iii) International business forums are opened to participation by the staff of subscribing companies.
- (iv) Advanced educational opportunities are made available by foreign interests/governments to staff (and their families) of subscribing companies.
- (v) Other restrictions against South Africans are lifted in respect of subscribing firms and their staff members.
- (vi) Non-subscribing firms are disadvantaged by consumer resistance, staff dissatisfaction and ostracism by subscribing firms.

#### Attitude of the South African Government:

It is unlikely that the South African Government would intervene against the Strategy because:

- a) It does not challenge its authority.
- b) Its position against sanctions and disinvestment is close to the Government's own position.
- c) It serves to stimulate the free market and benefit the economy as a whole.
- d) Reduction of poverty would have a positive effect on problems in the black townships.
- e) The stimulation of trade would favour South Africa's balance of payments.

#### Implementation and control:

A body would have to be established to evaluate applications for subscription to the plan and equate the practices to the particular firm's profitability and resources - the degree to which it can meet its requirements. Experts would have to devise appropriate formulas. Monitoring of individual firms' adherence to the practices could be undertaken by any one of various organisations such as:



- \* A specially constituted "watchdog" body;
- \* The South African Institute of Chartered Accountants; or
- \* Specially trained shop stewards.

Other possible advantages:

The process could be the beginnings of a future integrated South African society, with the integration of cultural value systems and the ending of racial estrangement.

There would be immense implications for all the states of the sub-continent of Southern Africa where there are such benefits to be had from co-operation.

The plan offers foreign countries the opportunity to make a positive foreign policy input to South Africa - as opposed to the negative input being urged on them by the sanctions/disinvestment lobby.

There would also be decided economic advantages to the international community in South Africa achieving a democratic liberation without the destruction of the economy.

The plan outlined strays into a number of political, social and economic minefields and is open to various criticisms. It must be emphasised therefore that the objectives and fundamental principles are intended simply to offer a framework for a viable alternate plan of action to disinvestment/sanctions. Debate should be encouraged, as should further development of the plan.

Madam Prime Minister, I can say quite categorically that anybody who thinks that there is any short-cut to the final elimination of apartheid are mistaken. When one thinks in the direction of an armed struggle, one thinks about a war of attrition which finally nobody can win and which will endure for a very considerable time. When one is thinking about democratic opposition to apartheid employing non-violent tactics and strategies, one is thinking in shorter time-spans than would be consumed by an armed struggle, but one cannot be thinking about quick solutions.

The South African Government is nowhere near making the first moves to establish real negotiation about scrapping South Africa's present constitution and establishing a new race-free, democratic dispensation. It is my carefully considered judgement that the State President has not yet initiated a single move which will enable him to grasp the thorny nettles which will have to be grasped. He and his cabinet colleagues are still talking about South Africa being a country of minorities and still believe that the racial definition of these minorities is necessary for constitutional reform. They reject the notion that there is a black majority in South Africa.



The extent to which the South African Government is not yet prepared to open real negotiations is quite evident in the letter I attach which Mr. C.J. Heunis, the Minister of Constitutional Development and Planning wrote to me. However the letter defines the felt need of the Government to negotiate with Blacks, and however much they may use the term "negotiate" for consultations aimed at persuading Blacks to accept National Party thinking, the letter is a clear statement of the South African Government's dilemma. It can only make progress which will be recognised as progress in South Africa and abroad if black leaders endorse what it is doing. I and other black leaders who also have substantial constituencies which stretch across all the divisions apartheid has tried to establish, just cannot endorse what the South African Government is doing.

I have no intention of attempting to negotiate within the present South African constitution. The present constitution must be scrapped. I am totally convinced that any constitutional formula which denies the existence of a black majority which is aware of itself, could only set up political institutions which would be destroyed by the black majority. The South African Government could well press ahead without me and other important black leaders but would only again fail to bring about the kind of reform that stabilises South Africa and reintegrates the country as a respected member of the international community.

If there are going to be no early solutions to the South African problem, Blacks have to survive and have to retain hope in the interim period. It is this need to survive the time that it will take to drag the South African Government to the negotiating table, that I am so concerned about the negative consequences of disinvestment and I argue that maximum advantage should be taken of economic factors to hasten the process of change.

Last year I addressed a memorandum to Sir Geoffrey Howe which I also sent to all the Foreign Ministers of Commonwealth countries. In it I talked about the need for ongoing shuttle diplomacy and the need to recognise that negotiation in the case of South Africa would have to be an ongoing process. I today argue the need to make positive use of economic factors because the solution to South Africa's problems will take time. In arguing as I have argued today, I am not detracting from the contents of my memorandum to Sir Geoffrey Howe.

We desperately need the diplomacy I talked about and I again ask you, Madam Prime Minister, to think about the merits of governments which are supportive of or friendly towards the ANC to talk with governments which are supportive of or friendly towards Inkatha on the one hand and other governments which are prepared to handle the South African Government's interests as sympathetically as possible to talk to each other on the other hand.