

OUT TELEGRAM

		Classification CONFIDENTIAL	Caveat	Precedence PRIORITY
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ZCZC	1	ZCZC	
TC	2	CONFIDENTIAL	
CAVEAT	3		
FM	4	FM FCO	
TO	5	TO PRIORITY PRETORIA	
TELNO	6	TELNO	
OF	7	OF 121300Z AUGUST 88	
AND TO	8	AND TO PRIORITY LUSAKA	
	9	INFO PRIORITY WASHINGTON	
	10		
	11	FOR AMBASSADOR	
	12		
	13	CALL ON THE PRIME MINISTER BY CHIEF BUTHELEZI ON 27 JULY	
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	15	1. Freeman's teletype to you of 3 August gave an account of	
	16	Chief Buthelezi's call on the Prime Minister. MIFT contains a	
	17	short oral message from the Prime Minister for you to deliver to	
	18	Chief Buthelezi.	
	19		
	20	2. The Prime Minister promised to reflect on Chief Buthelezi's	
	21	ideas and let him have a further and considered response in due	
	22	course. Three matters need to be followed up:	
	23		
	24	a) Chief Buthelezi's ideas on arbitrating between the ANC and	
	25	Inkatha and Sir Laurens van der Post's related suggestion	
///	26	for an initial seminar-type discussion between the ANC,	
//	27	Inkatha and members of the SAG.	
/	28	b) Chief Buthelezi's suggestion that the Prime Minister should	
	29	explore apparent changes in Soviet views on South Africa.	

YYY Y MAIN ADDITIONAL NNNN	Catchword: c) The
File number Z02AAS	Dept SAfd
Drafted by (Block capitals) C P Winnington-Ingram	Telephone no
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- c) The request to the Prime Minister to intervene with the US authorities about the listing of the KwaZulu Finance and Investment Corporation as a parastatal organisation.

3. We have considered Chief Buthelezi's ideas on reconciliation between the ANC and Inkatha. We doubt whether Kaunda would be willing to act as arbiter (no other candidate springs to mind), given Chief Buthelezi's perceived identification with the South African Government. Our own role as instigator of such arbitration, though readily accepted by Chief Buthelezi, would not be welcomed by the ANC, since they ^{SEE} ~~perceive~~ us as too closely identified with Inkatha. Sir Laurens van der Post's suggestion also has some obvious drawbacks. As the Prime Minister pointed out, the ANC would be required to agree to some kind of truce. P W Botha would be required to change radically his attitude to the ANC and to offer some substantive concessions to them. Especially given the current threat from the right, this seems very unlikely.

4. However, in order not to appear wholly negative we agree that we should use our contacts with the ANC to draw attention to Chief Buthelezi's evident wish in conversation with the Prime Minister to bring an end to Inkatha/"ANC" conflict in South Africa. Lusaka should take action accordingly (see para 8 below). In due course you should inform Chief Buthelezi of the ANC's response.

5. Chief Buthelezi's second suggestion (ie that the Prime Minister was well placed to explore the apparent change in Soviet views on South Africa) is much easier to meet. You should tell Chief Buthelezi that we have regular diplomatic exchanges with the Russians and will continue to explore their thinking on Southern Africa. We have also encouraged some

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liberal Afrikaners who are themselves trying to talk to Soviet experts and build on the evident desire for fresh thinking on developments in South Africa.

6. The third point - the listing of the KwaZulu Finance and Investment Corporation as a parastatal organisation within the terms of the US Comprehensive Anti-Apartheid Act - is something on which we can do nothing to help Chief Buthelezi. The US Administration have no option but to apply the Act to the Corporation, which was created directly by the SAG, is capitalised by them and is under de facto SAG control. State Department have told our Washington Embassy that unless the Corporation re-capitalises with private money it would not be able to have its listing as a parastatal body withdrawn. The Corporation have appealed without success against the listing, arguing that the KwaZulu government is not part of South Africa and should be considered as a separate political entity. In practice the Corporation will not suffer materially from the listing as it does not export to the US. Nonetheless Chief Buthelezi has written at length to Crocker on this and other subjects and has, according to State, gone overboard in his accusations of US betrayal. The letter was delivered to the US Consulate in Durban earlier this week and at desk level in State they are far from clear how they should reply.

7. When delivering to Chief Buthelezi the Prime Minister's oral message in MIFT you should draw as appropriate on paragraphs 3, 4 and 5 above and explain with regard to the listing of the KwaZulu Finance and Investment Corporation that this is a matter for the US authorities. On the latter point you might wish to consult your US colleague about Chief Buthelezi's letter to Crocker and ascertain how they intend to reply.

8. Lusaka.

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8. Lusaka. You should draw on paragraph 4 above in conversation with senior ANC figures (preferably Mbeki). Freeman's teleletter of 3 August to HMA Pretoria about the Prime Minister's meeting with Buthelezi is being copied to you.

HOWE

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MAIN

LIMITED

PS

PS/MRS CHALKER

MR MUNRO

MR FAIRWEATHER

SAFD

NAD

ADDITIONAL

NO 10 DOWNING STREET

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