

ECPC



Foreign and Commonwealth Office

London SW1A 2AH

17 August 1988

From The Minister of State

P A Bearpark Esq
10 Downing Street

Prime Minister

Dear Andy,

Yes not

Contacts for R Renwick to
speak to Chief Buthelezi as proposed?

file with DM

pm
20/8

FOLLOW-UP TO THE PRIME MINISTER'S MEETING WITH CHIEF BUTHELEZI

Charles Powell's letter of 27 July to Lyn Parker recorded the Prime Minister's meeting with Chief Buthelezi. Three points remain to be followed up. We have consulted Robin Renwick.

Chief Buthelezi hoped that the Prime Minister would consider ways to encourage a reconciliation between Inkatha and the ANC. We have considered his idea of seeking to persuade someone like President Kaunda to act as arbiter, but are sceptical whether it could be made to run. Kaunda himself would be unlikely to agree, given Buthelezi's identification in the minds of many black opponents of apartheid with the South African Government. Furthermore, our own position as instigator of such arbitration, though accepted by Chief Buthelezi, would not be welcomed by the ANC, who see us as too closely identified with Inkatha.

Sir Laurens van der Post suggested a preliminary meeting between the ANC, Inkatha and some of the younger white South African Ministers. This resembles proposals by the Eminent Persons Group for negotiations between the ANC and the South African Government (though it is not clear whether Sir Laurens' idea was for a public or a private initiative). But the history of such initiatives is discouraging. President Botha does not have enough room for manoeuvre vis-à-vis the far right to allow his Ministers to sit at the negotiating table with the ANC even if he wanted to (which is highly doubtful). Nor would the ANC be likely to agree to the necessary truce without being certain that South African Ministers were ready to negotiate seriously on the constitutional future of South Africa.

The difficulties surrounding both suggestions point firmly against the Prime Minister getting involved. We could, however, use our contacts with the ANC in Lusaka to draw attention to Chief Buthelezi's apparently genuine wish to end the conflict in South Africa between Inkatha and the ANC. We would then inform Chief Buthelezi of any response.



Secondly, Chief Buthelezi suggested that the Prime Minister was well placed to explore the apparent change in Soviet views of South Africa. On this we can be more forthcoming. We can explain to Chief Buthelezi that we have regular diplomatic exchanges with the USSR and will continue to explore the new Soviet thinking on Africa. We have encouraged some liberal Afrikaners who are themselves trying to talk to Soviet experts and build on the evident Soviet desire for fresh information on what is actually happening in South Africa.

Thirdly, the Prime Minister thought we should reply to Chief Buthelezi's request for us to intervene with the US authorities about the listing of the KwaZulu Finance and Investment Corporation as a parastatal organisation within the terms of the US Comprehensive Anti-Apartheid Act 1986. Chief Buthelezi said that the effect of the listing was to deprive the Corporation of US markets for its exports.

The Corporation was created by the South African Government, capitalised by them and is under de facto South African Government control. We know from enquiries made by our Embassy at Washington that unless the Corporation recapitalises with private money its listing as a parastatal body will not be withdrawn. In practice, the Corporation (which is an investment body) will not suffer materially from the listing because it does not export to the US. Nonetheless, the Corporation appealed against the listing on the grounds that the KwaZulu Government was not part of South Africa and should be considered a separate political entity. The appeal has not been accepted. The listing of the Corporation is a Congressionally determined requirement and the US Administration have no option but to apply it. Chief Buthelezi has written to Dr Crocker about this decision and other matters. There would not seem to be any ground for us to interfere.

Rather than set all this out in a letter from the Prime Minister to Chief Buthelezi, we recommend that Mr Renwick should be asked to explain her views. It would help if he could lead off by passing to Chief Buthelezi a short oral message from the Prime Minister. I enclose two draft telegrams accordingly.

Mark Lyall Grant

Mark Lyall Grant
Private Secretary to
Mrs Lynda Chalker