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FROM: R W RENWICK, PRETORIA  
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FOLLOWING FOR: W K PRENDERGAST ESQ, SAFD, FCO

SOUTH AFRICA: PROSPECTS

1. AS REPORTED TO HEADS OF MISSION SECTION, I SPENT THE WEEKEND AT A GAME LODGE IN THE OKAVANGO DELTA.

OTHERS IN THE PARTY INCLUDED THE SOUTH AFRICAN FINANCE MINISTER, BAREND DU PLESSIS, THE TREASURY SECRETARY, STALS, AND NEIL VAN HEERDEN.

2. IT WAS POSSIBLE TO TALK A GOOD DEAL TO BAREND DU PLESSIS, WHO IS ONE OF THE TWO OR THREE MOST MODERN-MINDED MEMBERS OF THE SOUTH AFRICAN CABINET. HIS POLITICAL STAR HAS BEEN RISING AND HE DOES GET TALKED ABOUT FROM TIME TO TIME AS A POTENTIAL FUTURE PRESIDENT, THOUGH HE DOES NOT HAVE THE HOLD ON THE PARTY MACHINE OF F W DE KLERK OR ON THE SECURITY FORCES OF GENERAL MALAN.

3. BAREND DU PLESSIS SAID THAT HIS CONCERNS ABOUT THE SOUTH AFRICAN ECONOMY WERE VERY SIMILAR TO OURS. THE FACT WAS THAT SOUTH AFRICA AT PRESENT COULD NOT "AFFORD" MORE THAN ABOUT TWO PER CENT ECONOMIC GROWTH. THE RESUMPTION OF GROWTH HAD LED IMMEDIATELY TO A BALANCE OF PAYMENTS CRISIS AND THE NECESSITY TO IMPOSE AN IMPORT SURCHARGE. SOUTH AFRICA WOULD NOT BE ABLE TO GROW MORE RAPIDLY UNLESS IT COULD FREE ITSELF FROM SOME OF THE EXTERNAL CONSTRAINTS. THE SQUEEZE ON LOWER CLASS WHITE INCOMES WAS NOT ADVANCING BUT RETARDING THE REFORM PROCESS. IN HIS OWN CONSTITUENCY SOME PEOPLE WHO WOULD HAVE BEEN PREPARED A YEAR OR TWO AGO TO SEE THE GROUP AREAS ACT SCRAPPED WERE NOW CALLING FOR IT TO BE RETAINED.

4. WITH VAN HEERDEN PRESENT, HE SAID THAT HE STRONGLY SUPPORTED THE CURRENT EFFORTS TO TRY TO SOLVE THE NAMIBIA/ANGOLA PROBLEM. IF THAT COULD BE ACHIEVED, IT WOULD HAVE BENEFICIAL EFFECTS ON THE ECONOMY AND, HE HOPED, ON SOUTH AFRICA'S EXTERNAL RELATIONS. A SETTLEMENT WOULD DEPEND, HOWEVER, ON WHETHER THE CUBANS WERE SERIOUS ABOUT TROOP WITHDRAWAL. RELINQUISHING CONTROL OVER NAMIBIA WOULD ENTAIL A MAJOR BATTLE WITH SOME OF THE SOUTH AFRICAN MILITARY, TO SAY NOTHING OF THE CONSERVATIVE PARTY. THE BATTLE COULD BE WON IF THE CUBANS COULD BE BROUGHT TO ACCEPT ROUGHLY SIMULTANEOUS WITHDRAWAL, BUT PROBABLY NOT OTHERWISE.



5. I SAID THAT WE HAD ACTIVELY SUPPORTED THE CURRENT ROUND OF NEGOTIATIONS. IF THEY DID LEAD TO A SETTLEMENT - AND OBVIOUSLY THAT DEPENDED ALSO ON THE CUBANS - WE WOULD BE ABLE TO USE THAT TO GOOD EFFECT TO INFLUENCE THE ATTITUDE OF AN INCOMING U S ADMINISTRATION: THE OTHER ISSUE WHICH CAUSED US MOST CONCERN WAS MANDELA. THE FACT THAT IT HAD BEEN NECESSARY TO HOSPITALISE HIM AGAIN, AND THAT HE WAS REPORTED TO HAVE TUBERCULOSIS, EVEN THOUGH THAT MIGHT BE BROUGHT UNDER CONTROL, SHOWED HOW DANGEROUS IT WAS TO CONTINUE TO KEEP HIM IN PRISON. VAN HEERDEN INTERJECTED THAT WHEN PIK BOTHA HAD LAST TRIED TO GET THE QUESTION OF MANDELA'S RELEASE CONSIDERED, HE HAD BEEN TOLD BY THE SECURITY CHIEFS THAT HE WAS IN GOOD HEALTH EXCLAM. BAREND DU PLESSIS AND VAN HEERDEN BOTH SAID THAT THEY WERE ACTIVELY IN FAVOUR OF RELEASING MANDELA. THE PRESIDENT, HOWEVER, RELIED ALMOST EXCLUSIVELY ON THE ADVICE OF THE SECURITY CHIEFS ON MATTERS OF THIS KIND. BOTH HOPED THAT A WAY MIGHT BE FOUND TO KEEP MANDELA IN HOSPITAL UNTIL THE MUNICIPAL ELECTIONS AND TO RELEASE HIM THEREAFTER. BUT IT WAS CLEAR THAT NEITHER REALLY COULD SAY WHAT THE CHANCES WERE.

6. BAREND DU PLESSIS IS WELL AWARE OF THE LIKELY CONSEQUENCES OF A DEMOCRATIC ADMINISTRATION IN THE UNITED STATES. IN THE ABSENCE OF PROGRESS ON ANGOLA/NAMIBIA AND/OR MANDELA;

THERE WOULD BE A FURTHER WAVE OF U S SANCTIONS AND DISINVESTMENT AND THAT WOULD FURTHER LIMIT THE POTENTIAL FOR ECONOMIC GROWTH. BOTH HE AND VAN HEERDEN ARE CONCERNED THAT THE OVERALL EFFECT WOULD BE FURTHER TO INCREASE THE INFLUENCE OF THE MILITARY HERE. AS SOUTH AFRICA WAS DRIVEN MORE INTO A STAGE OF SIEGE, SO THEIR INFLUENCE INCREASED. I SAID THAT IT REMAINED OUR VIEW THAT THE ANC COULD NOT DEFEAT THE SADF. THE GREATER THREAT WAS THE COMBINATION OF ECONOMIC STAGNATION AND POPULATION INCREASE AND THAT COULD ONLY BE DEALT WITH THROUGH EFFORTS TO GET SOUTH AFRICA BACK INTO A MORE NORMAL RELATIONSHIP WITH THE OUTSIDE WORLD.

7. VAN HEERDEN SAID THAT PIK BOTHA AND HE WOULD BE CONTINUING THEIR EFFORTS

(A) TO MAKE FURTHER PROGRESS ON ANGOLA/NAMIBIA - BUT THAT WOULD NOW DEPEND CRITICALLY ON THE CUBANS:

(B) TO NORMALISE RELATIONS WITH MOZAMBIQUE, WITH A SUMMIT MEETING BETWEEN CHISSANO AND P W BOTHA:

(C) IF POSSIBLE TO MAKE FURTHER PROGRESS TOWARDS SOUTH AFRICAN SIGNATURE OF THE NPT AND CERTAINLY, AT THE LEAST, TO KEEP THAT OPTION OPEN FOR DISCUSSION WITH AN INCOMING U S ADMINISTRATION:

(D) TO CONTINUE TO WORK FOR THE RELEASE OF MANDELA.

8. BAREND DU PLESSIS WILL BE ATTENDING THE IMF MEETINGS IN BERLIN IN SEPTEMBER AND WILL BE IN LONDON BRIEFLY AT THE END OF SEPTEMBER. TALKING TO HIM, AS TO VAN HEERDEN, ONE IS IN SOME MEASURE PREACHING TO THE CONVERTED - THOUGH HE IS ADAMANT THAT THE SAG WILL NOT HAND OVER POWER TO THE ANC.



9. AS I HAVE BEEN REPORTING, THERE IS CURRENTLY A GREAT DEAL OF UNHAPPINESS AMONG KEY FIGURES IN THE AFRIKANER ESTABLISHMENT ABOUT THE STATE PRESIDENT AND THE FIX INTO WHICH THE GOVERNMENT HAS GOT ITSELF, WITH THE RIGHT WING EXPECTED TO MAKE FURTHER GAINS IN THE MUNICIPAL ELECTIONS AND NO REAL SUCCESS IN THE ATTEMPTS TO "BROADEN DEMOCRACY" BY ATTRACTING GREATER BLACK PARTICIPATION. THIS HAS BEEN REFLECTED IN THE RECENT EDITORIALS IN "BEELD". BUT THE SITUATION REMAINS ONE IN WHICH THE PRESIDENT CONTINUES TO ACT MAINLY ON THE ADVICE OF THE SECURITY CHIEFS, WHOSE ALMOST EXCLUSIVE PRE-OCCUPATION IS WITH "MAINTAINING CONTROL". DISSENTERS, WHETHER WITHIN THE GOVERNMENT OR OUTSIDE IT, ARE PRETTY SUMMARILY DEALT WITH. THE PROPOSED AMENDMENTS TO THE GROUP AREAS ACT ARE INCREASINGLY RECOGNISED TO BE A BOTCHED JOB AND THE PROVISIONS FOR STRICTER ENFORCEMENT OF THE ACT LOOK LIKELY TO BE MODIFIED (BY INJECTING AN ELEMENT OF MINISTERIAL DISCRETION). THE PRESIDENT HAS SIGNALLED HIS DETERMINATION TO PUSH THEM THROUGH WHATEVER THE OPPOSITION IN THE CURRENT SESSION OF PARLIAMENT, BUT THEY CLEARLY DO NOT CONSTITUTE A SOLUTION AND NOR ARE THEY LIKELY TO STEM THE CONSERVATIVE TIDE.

SIGNED.. R W RENWICK

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