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Foreign and Commonwealth Office

London SW1A 2AH

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Jean Charles,

Anglo/German Summit: Prime Minister's bilateral with
Chancellor Kohl: South Africa

Thank you for your letter of 13 February about the possible formula for an Anglo/ German response to the South Africans, which the Prime Minister might put to Chancellor Kohl during their meetings on 20/21 February. Since discussion of this aspect will be confined to the Prime Minister's meeting with Chancellor Kohl (and the Auswärtiges Amt do not, so far as we are aware, know of the existence of the initiative), we are providing briefing in the form of a Private Secretary letter.

/ I attach the proposed line to take with the South Africans on what we might do in response to Mandela's unconditional release and if the South African Government established a genuine dialogue with credible black leaders.

The Prime Minister will wish to say to Chancellor Kohl that you and Sir Robin Renwick have been approached recently by Rusty Evans of the Foreign Minister's office, on behalf of Pik Botha. He was following up P W Botha's enquiry to Dr Leutwiler about a possible quid pro quo for Mandela's unconditional release. The Prime Minister might say that in the light of this we have been considering a possible formula for a joint response to the South African request. The unconditional release of Mandela should be seen not as an end in itself but to trigger a negotiation, without preconditions, to establish a new constitution for South Africa in which all political parties would be able to participate, against the background of a suspension of violence on all sides.

The Prime Minister may wish to give the Chancellor a copy of the proposed joint response. She may wish to point out to Chancellor Kohl that the exposure by British banks on bearer bonds is slight, so that in practice the problem is one on which the Germans and Swiss will have to lead if a solution to it is to be found.

It is possible that the Prime Minister may find Chancellor Kohl slightly less confident than usual about rejecting ideas for further sanctions. Pressure is already building up in the new US Congress, and the wish of the Bush Administration for as much cooperation as possible with Congress on foreign policy issues is widely known. In the

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European Community, the French have recently taken a number of unhelpful initiatives for new restrictive measures. Within his own government Genscher and the Foreign Ministry remain wobbly, especially over non-economic restrictive measures; they are currently reviewing the options. The Auswärtiges Amt claim that Chancellor Kohl shares Genscher's discomfort at the fact that Germany has taken over from Japan as South Africa's leading trading partner.

The Prime Minister may therefore wish to stress to Chancellor Kohl how important it is to avoid actions which risk triggering a new round of international sanctions. It would be especially counter-productive to impose sanctions during the implementation period for Namibian independence. The new realism among the Front Line States about the practical consequences of sanctions is a further reason not to do so. The US Administration hold the key. From our talks with Mr Baker it is clear that they share our judgement. We and the Germans should continue to urge on them the importance of holding to that view if the prospect of peaceful settlements in Namibia and Angola are not to be jeopardised. Gestures such as new non-economic restrictive measures should be rigorously eschewed.

Yours ever,

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