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AMENDED DISTRIBUTION 21 JUNE 1986

EUROPEAN POLITICAL COOPERATION: POLITICAL COMMITTEE:
THE HAGUE, 20 JUNE: SOUTH AFRICA

SUMMARY

1. A DIFFICULT DISCUSSION. DESPITE UK OPPOSITION, BROAD SUPPORT FOR BAN ON IMPORT OF WINE, FRUIT AND VEGETABLES, AND OTHER RESTRICTIVE MEASURES. FRENCH EMPHASIS ON IMPORTANCE OF POSITIVE MEASURES AS MEANS OF POLITICAL INFLUENCE WITH BLACKS. GERMANS SILENT THROUGHOUT. AFTER PROLONGED DISCUSSION IN RESTRICTED SESSION, PRESIDENCY PROPOSED TO CIRCULATE A PAPER ON THEIR OWN RESPONSIBILITY, BASED LARGELY ON THEIR ORIGINAL ELEMENTS AND PROPOSING FOLLOWING RESTRICTIVE MEASURES FOR FURTHER CONSIDERATION BY MINISTERS:

- (I) GOLD COINS SEMI COLON
- (II) WINE, FRUIT AND VEGETABLES SEMI COLON
- (III) COAL SEMI COLON
- (IV) IRON AND STEEL.

OTHER RESTRICTIVE MEASURES TO BE RELEGATED TO AN ANNEX WITH RECOMMENDATION THAT THEY SHOULD NOT BE CONSIDERED FURTHER FOR THE PRESENT.

DETAIL

2. JACOBVITS (PRESIDENCY) DESCRIBED THE MEASURES TAKEN BY OTHER WESTERN COUNTRIES, EG CANADA, JAPAN, THE NORDICS, AND REFERRED TO THE BILL PASSED BY THE HOUSE OF REPRESENTATIVES. HE INVITED COMMENTS ON THE PRESIDENCY'S DISCUSSION PAPER WHICH WAS INTENDED AS THE BASIS FOR A PAPER WHICH HE HOPED COULD BE SUBMITTED TO FOREIGN MINISTERS.

3. THOMAS (UK) EMPHASIZED THE NEED TO THINK COOLLY AND CLEARLY ABOUT THE MEASURES PROPOSED BY THE PRESIDENCY. WE NEEDED TO OFFER

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A CLEAR PICTURE OF WHAT THEY WOULD ACHIEVE IN PRACTICE, THEIR COST TO MEMBER STATES, THEIR IMPACT IN SOUTH AFRICA, AND WHETHER OTHER COUNTRIES WOULD BE LIKELY TO APPLY THEM. WE SHOULD AVOID DRIVING SOUTH AFRICA INTO A CORNER OR DAMAGING THE SOUTH AFRICAN ECONOMY. OUR PURPOSE WAS NOT TO PUNISH BUT TO SEND A CLEAR POLITICAL SIGNAL. POLITICAL DIRECTORS COULD NOT TAKE DECISIONS BUT SHOULD PREPARE A THOROUGH ANALYSIS IN THE LIGHT OF WHICH MINISTERS COULD DECIDE FOR THEMSELVES ON THE MERITS OF THE PROPOSED MEASURES.

4. DISCUSSION THEN TURNED TO THE THREE SECTIONS OF THE PRESIDENCY PAPER DEALING WITH DIPLOMATIC MEASURES, POSITIVE MEASURES AND RESTRICTIVE MEASURES. THE PRESIDENCY PROPOSED THAT THE SECTION ON DIPLOMATIC MEASURES (RECALL OF AMBASSADORS ETC) SHOULD BE DROPPED. THE MEASURES LISTED IN THIS SECTION WOULD NOT BE ACCEPTABLE TO MOST PARTNERS. THIS WAS AGREED, ALTHOUGH ITALY, WITH UK SUPPORT, ARGUED THAT WE SHOULD KEEP OPEN THE POSSIBILITY THAT OTHER POLITICAL MEASURES MIGHT BE LOOKED AT LATER, GIVEN THAT ECONOMIC MEASURES WERE LIKELY TO PROVE MORE DIFFICULT.

5. FOR DISCUSSION OF POSITIVE MEASURES, SEE MIFT (NOT TO ALL).

6. ON RESTRICTIVE MEASURES, DENMARK BEGAN BY CIRCULATING A LIST OF ADDITIONAL MEASURES WHICH INCLUDED A TOTAL BAN ON TRADE WITH SOUTH AFRICA. THIS WAS GENERALLY REGARDED AS UNHELPFUL. DENMARK AND IRELAND, HOWEVER, INDICATED WILLINGNESS TO IMPLEMENT ALL THE RESTRICTIVE MEASURES ON THE PRESIDENCY'S LIST. THE TWELVE SHOULD GIVE MORE POLITICAL FORCE TO THEIR EFFORTS IN THIS FIELD, AND NOT CONFINE THEMSELVES TO WORKING THROUGH RESTRICTIVE MEASURES. THE FRENCH COULD ACCEPT A BAN ON FRUIT AND VEGETABLES, AND POINTED OUT THAT THEY ALREADY HAD A BAN ON NEW INVESTMENT AND HAD STOPPED COAL IMPORTS. GERMANY DID NOT SPEAK. ITALY, SPAIN AND BELGIUM, GAVE NO CLEAR COMMITMENT ON THE LIST OF RESTRICTIVE MEASURES. PORTUGAL SUPPORTED THE UK LINE AND SAID THAT THE INTERESTS OF THE LARGE PORTUGUESE COMMUNITY IN SOUTH AFRICA WERE A MATTER OF ACUTE POLITICAL SENSITIVITY IN LISBON.

7. SPAIN PROPOSED THAT THE TWELVE SHOULD GIVE GREATER EMPHASIS TO ITS CONTACTS WITH BLACK GROUPS IN SOUTH AFRICA, EG THE UDF, ANC AND OTHERS, AT THE SAME TIME REDUCING OFFICIAL CONTACTS WITH THE SOUTH AFRICAN GOVERNMENT. THERE WAS GENERAL SUPPORT FOR THE FORMER, BUT THOMAS STRONGLY RESISTED THE LATTER AND WAS SUPPORTED BY THE PRESIDENCY.

8. AS FORESHADOWED IN THEIR COREU, THE PRESIDENCY ATTEMPTED TO FOCUS DISCUSSION PARTICULARLY ON WINE, FRUIT, VEGETABLES, COAL, IRON AND STEEL. THOMAS RESISTED THIS, ARGUING THAT POLITICAL DIRECTORS WERE NOT COMPETENT TO SELECT PARTICULAR RESTRICTIVE MEASURES. THE RIGHT COURSE WAS TO WORK THROUGH THE FULL LIST INDICATING THE ADVANTAGES AND DISADVANTAGES OF EACH PARTICULAR MEASURE.

9. ALTHOUGH THE PRESIDENCY CONCEDED THAT SOME EVALUATION OF THE EFFECTS OF EACH RESTRICTIVE MEASURE WAS DESIRABLE, THERE WAS LITTLE SUPPORT FOR THIS FROM OTHER PARTNERS. MOST SHOWED WILLINGNESS IF NOT ENTHUSIASM FOR A BAN ON WINE, FRUIT AND VEGETABLES.

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10. OVER LUNCH, THE DISCUSSION OF RESTRICTIVE MEASURES CONTINUED, WITHOUT NOTE-TAKERS. ON A POSSIBLE BAN ON IMPORTS OF COAL, IT WAS CLEAR THAT SEVERAL MEMBER STATES HAD CONSIDERABLE DIFFICULTIES, NOTABLY THE BELGIANS. THOMAS BROUGHT OUT THE ARGUMENT OF BLACK UNEMPLOYMENT IN THE MINING INDUSTRY. THERE WAS A SIMILAR ARGUMENT ON IMPORTS OF IRON AND STEEL, WHERE THOMAS MADE THE POINT THAT SOUTH AFRICAN EXPORTS ONLY CONSTITUTED 4% OF TOTAL EXPORTS AND OF THIS ONLY 10% WENT TO THE EC. HE POINTED OUT THAT THIS WAS A CLASSIC CASE WHERE ACTION BY THE COMMUNITY WITHOUT OTHER INDUSTRIALISED COUNTRIES WOULD BE SENSELESS. HE ALSO DREW ATTENTION TO THE EFFECT ON IRON AND STEEL EXPORTS FROM THE FLS WHICH PASSED THROUGH SOUTH AFRICA AND WOULD THEREFORE BE DIRECTLY DAMAGED BY SUCH A BAN.

11. SEVERAL POLITICAL DIRECTORS RESPONDED TO THE ARGUMENTS ABOUT BLACK UNEMPLOYMENT BY SAYING THAT THEIR MINISTERS FELT THEY HAD TO RECOGNISE THE FORCE OF BLACK MAJORITY ARGUMENTS IN FAVOUR OF SANCTIONS, EVEN IF THEY CREATED UNEMPLOYMENT IN SOUTH AFRICA. THIS WAS PARTICULARLY STRONGLY ARGUED BY DE SCHOUTHEETE (BELGIUM), AND SHARKEY (IRELAND).

12. A DISCUSSION ON A POSSIBLE BAN ON GOLD AND OTHER PRECIOUS METALS WENT REASONABLY SUCCESSFULLY. THE SILLINESS OF THIS PROPOSAL QUICKLY BECAME APPARENT AND POLITICAL DIRECTORS SAW THE FORCE OF SETTLING FOR A BAN ON GOLD COINS ORIGINATING IN SOUTH AFRICA

IT WAS AGREED TO REVISE THE PROPOSAL ON THESE LINES AND RETAIN IT FOR FURTHER CONSIDERATION BY MINISTERS.

13. DISCUSSION OF THE BAN ON NEW INVESTMENTS WAS MORE DIFFICULT. THE FRENCH (WHO MAKE NONE) WERE PRESSING STRONGLY FOR SUPPORT FOR IT. THOMAS ASKED FOR A TOUR DE TABLE ON HOW MANY COUNTRIES COULD IMPOSE SUCH A BAN WITHOUT NEW LEGISLATION. IT TURNED OUT THAT VERY FEW WERE ABLE TO DO SO. THOMAS ALSO POINTED OUT THE PERVERSE EFFECTS OF SUCH A BAN IN THE NEAR -CERTAIN EVENT THAT SOUTH AFRICA RETALIATED BY PREVENTING REPATRIATION OF PROFITS. THIS DISCUSSION FINALLY PROVOKED THE FRG REPRESENTATIVE (WHO WAS UNDER INSTRUCTIONS FROM GENSCHER TO CONFINE HIMSELF TO LISTENING AND REPORTING) INTO MAKING A CLEAR AND HELPFUL INTERVENTION WHICH FINALLY PUNCTURED THE IDEA FOR THE TIME BEING. IT WAS NEVERTHELESS FELT BY SOME THAT HOWEVER LIMITED IN REAL EFFECT, THIS WOULD BE A USEFUL POLITICAL SIGNAL TO SEND.

14. PROPOSALS ON EXPORT CREDITS, SOUTH AFRICAN BANK ACCOUNTS, DOUBLE TAXATION AGREEMENTS, AIR LINKS, GOVERNMENT PROCUREMENT AND PROMOTION OF TOURISM WERE GENERALLY FELT TO BE EMPTY, DANGEROUS OR IMPRACTICABLE.

15. JACOBOVITS, AT THE END OF THIS DISCUSSION, SUGGESTED THAT THE PRESIDENCY SHOULD CIRCULATE A REVISED REPORT TO MINISTERS. IN THE LIGHT OF TODAY'S DISCUSSION ON THE FOLLOWING LINES:

- (A) BRIEF DESCRIPTION OF THE PRESENT SITUATION SEMI COLON
- (B) SUMMARY OF THE TWELVE'S OBJECTIVES SEMI COLON
- (C) ANALYSIS OF THINKING ON POLITICAL MEASURES AND POSITIVE

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MEASURES ON THE LINES OF PARAGRAPH 4 ABOVE AND MY TELNO
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(D) REVIEW OF LIST OF POSITIVE AND RESTRICTIVE MEASURES
(DETAILS IN SEPARATE ANNEX, CONTAINING A SUMMARY OF THE
ARGUMENTS WHICH HAD BEEN USED IN RELATION TO EACH PROPOSAL).

(E) LIST OF FOUR POSSIBLE MEASURES RETAINED FOR FURTHER
CONSIDERATION BY MINISTERS VIZ BANS ON-

(I) IMPORTS OF GOLD COINS ORIGINATING IN SOUTH AFRICA
SEMI COLON

(II) IMPORTS OF FRUIT, VEGETABLES AND WINE SEMI COLON

(III) IMPORTS OF COAL SEMI COLON

(IV) IMPORTS OF IRON AND STEEL.

THE PRESIDENCY AGREED THAT UNDER EACH OF THESE HEADINGS WOULD BE
A BRIEF STATEMENT OF THE VOLUME OF TRADE INVESTMENT AND THE
COUNTRIES CONCERNED. THOMAS ARGUED THAT MINISTERIAL DISCUSSION
WOULD BE GREATLY HELPED BY A CLEAR EXPOSITION OF THE LIKELY
IMPACT OF THE FIRST THREE MEASURES ON EMPLOYMENT IN SOUTH AFRICA.
THE PRESIDENCY RESISTED THIS STRONGLY ON THE GROUNDS THAT IT WAS A
MATTER ON WHICH EACH DELEGATION WOULD BRIEF ITS MINISTER.

(F) A PARAGRAPH REFERRING TO THE EFFECT OF THE SOUTH AFRICAN
GOVERNMENT'S POLICIES ON THE CLIMATE FOR INVESTMENT, TOURISM,
CREDITS, AND TRADE MISSIONS TO SOUTH AFRICA. THE PURPOSE OF
THIS WOULD BE, RATHER THAN CALLING FOR RESTRAINT ON ANY OF
THESE ACTIVITIES, TO BRING HOME TO SOUTH AFRICAN OPINION
THAT CURRENT POLICIES WERE PRODUCING THESE EFFECTS WITHOUT
ANY ACTION FROM WESTERN GOVERNMENTS.

16. JACOBOVITS MADE CLEAR AT THE END OF THE MEETING THAT THE
PRESIDENCY'S PAPER WOULD BE CIRCULATED ON ITS OWN RESPONSIBILITY.
HE NOTED THE CAUTIOUS POSITIONS TAKEN, PARTICULARLY BY THE UK AND
ACCEPTED THAT ANY FURTHER DISCUSSION OF RESTRICTIVE MEASURES
WAS ENTIRELY WITHOUT COMMITMENT.

17. PLEASE SEE MY SECOND IFT FOR COMMENT.

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POLITICAL COMMITTEE: 20 JUNE: SOUTH AFRICA

(B) POSITIVE MEASURES

SUMMARY

1. GENERAL REAFFIRMATION OF IMPORTANCE OF POSITIVE MEASURES. PRESIDENCY PUSH FOR INCREASED MONEY FROM EC BUDGET RESISTED. SOME FRENCH DISSATISFACTION WITH EC PROGRAMME AND SUGGESTION FOR NEW FUND.

DETAIL

2. PRESIDENCY (JACOBVITS) SOUGHT GENERAL ENDORSEMENT OF THE THREE POSITIVE MEASURES PROPOSED IN THEIR PAPER WHICH HAD BEEN SUGGESTED BY RAIMOND OVER LUNCH ON 16 JUNE (EXTRA AID TO CROSSROADS VICTIMS, HELP WITH LEGAL COSTS FOR THOSE ARRESTED UNDER THE STATE OF EMERGENCY, AND THE IDEA OF A EUROPEAN FUND FOR VICTIMS OF APARTHEID). THE EUROPEAN PARLIAMENT HAD APPROVED 5 MECU EACH FOR 1986 AND 1987, THOUGH THE COMMISSION HAD NOT YET PUT FORWARD PROPOSALS FOR DISBURSEMENT. INDIVIDUAL MEMBER STATES HAD ALREADY TAKEN SOME MEASURES, EG, UK BLANKETS TO THOSE MADE HOMELESS IN RECENT EVENTS AND NETHERLANDS AID FOR LEGAL COSTS, CHANELLED THROUGH THE INTERNATIONAL DEFENCE AND AID FUND IN LONDON. HE ASKED PARTNERS TO GIVE THE PRESIDENCY MORE DETAILS ON FURTHER NATIONAL ACTION AND SUGGESTED THAT FUNDING FROM THE EC BUDGET SHOULD BE INCREASED.

3. MOREL (FRANCE) ARGUED THAT THE EC HAD NEGLECTED THE POSITIVE MEASURES SIDE AND SHOULD GET OUT OF THE RESTRICTIVE-MEASURES STRAITJACKET. FRANCE SUPPORTED ASSISTANCE TO THE VICTIMS IN CROSSROADS AND WAS PREPARED TO CONSIDER LEGAL ASSISTANCE. AFTER SOME CIRCLING, IT BECAME APPARENT THAT THERE WAS FRENCH DISSATISFACTION WITH THE LACK OF VISIBILITY OF THE EC PROGRAMME. SOME ALTOGETHER MORE STRIKING AND VISIBLE ACTIVITY WAS NEEDED TO SHOW THAT THE TWELVE WERE HELPING THE BLACKS IN SOUTH AFRICA. RAIMOND HAD SUGGESTED A NEW FUND. IT MIGHT BE OPEN TO PRIVATE AS WELL AS GOVERNMENT DONORS. THE AMBASSADORS OF THE TWELVE COULD BE INSTRUCTED TO MEET LEADERS OF THE BLACK COMMUNITY (HE MENTIONED TUTU AND BOESAK) TO PUT ACROSS WHAT HAD ALREADY BEEN DONE.

4. COMMISSION (KRENZLER) REPORTED ON CONTACTS IN SOUTH AFRICA ESPECIALLY WITH THE CHURCHES, IN ORDER TO IDENTIFY CHANNELS TO DISBURSE THE EC AID ALREADY AGREED. PROPOSALS FOR TWO TO THREE PROJECTS HAD BEEN SUBMITTED TO THE COMMISSION FROM INTER ALIA

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CHRISTIAN AID AND ONE OF THE TRADE UNION ORGANISATIONS. MORE PROJECTS WHICH WOULD ACCOUNT FOR 4 TO 5 MECU WERE BEING PREPARED BY THE CATHOLIC BISHOPS CONFERENCE AND COUNCIL OF CHURCHES. THE COMMISSION COULD USE THE FUNDS AVAILABLE UNDER ARTICLE 953 TO GIVE ASSISTANCE TO THE VICTIMS OF CROSSROADS. THE PROJECTS BEING PUT FORWARD BY THE TRADE UNION ORGANISATION ALSO INCLUDED THE POSSIBILITY OF LEGAL ASSISTANCE. THE COMMISSION WOULD BE IN A POSITION TO PROPOSE A MEETING OF EXPERTS TO CONSIDER PROJECTS IN THE SECOND OR THIRD WEEK OF JULY. THEY WERE HESITANT HOWEVER, ABOUT THE SUGGESTION OF A NEW FUND, WHICH WAS LIKELY TO UNDERMINE THE COMMUNITY'S CREDIBILITY. WHAT WOULD BE THE CRITERIA AND WHO THE BENEFICIARIES? HOW WOULD IT DIFFER FROM WHAT WAS ALREADY ENVISAGED? THE BUDGETARY IMPLICATIONS OF THE PRESIDENCY PROPOSAL WOULD NEED TECHNICAL STUDY. SPENDING WAS LIKELY TO BE CONCENTRATED IN 1987. WAS THERE NOT A DANGER OF A PARALLEL BUREAUCRACY?

5. THOMAS (UK) SUPPORTED FRANCE IN EMPHASISING THAT POSITIVE MEASURES TO HELP THE BLACK COMMUNITY WERE AN IMPORTANT PART OF THE TWELVE'S APPROACH TO SOUTH AFRICA. PERHAPS THE COMMUNITY HAD NOT GIVEN SUFFICIENT IMPORTANCE TO POSITIVE MEASURES. THEY SHOULD BE EFFECTIVE AND VISIBLE. WE SHOULD HIGHLIGHT WHAT WAS BEING DONE ALSO UNDER THE CODE OF CONDUCT, AID TO TRADE UNIONS, ETC. IT WAS IMPORTANT TO GET THE EC PROGRAMME UNDER WAY AND MAKE IT EFFECTIVE

WE SHOULD SEE IF THE EXISTING FUNDS AT THE COMMISSIONS DISPOSAL COULD BE USED TO GIVE EFFECT TO THE PRESIDENCY'S IDEAS ON AID TO VICTIMS AT CROSSROADS AND LEGAL HELP. BUT TO THINK IN TERMS OF AN INCREASE BEFORE THE EXISTING PROGRAMME HAD TAKEN SHAPE WAS PREMATURE.

6. SPAIN, ITALY, IRELAND, BELGIUM ENDORSED THE IMPORTANCE OF POSITIVE MEASURES AND THE IDEAS IN THE PRESIDENCY PAPER, WITHOUT SUPPORTING ANY INCREASE IN THE FUNDS AVAILABLE.

7. SUMMING UP JACOBVITS SUGGESTED THAT THE POLITICAL COMMITTEE IN REPORTING TO MINISTERS SHOULD SET OUT WHAT HAD ALREADY BEEN DONE RESPONDING TO THE RECENT EMERGENCY (HE WOULD BE GRATEFUL IF MEMBER STATES COULD NOTIFY THE PRESIDENCY URGENTLY BY COREU OF THE AID THEY HAD GIVEN) AS WELL AS WHAT WAS PLANNED, INCLUDING ANY PROJECTED INCREASE. IT WAS IMPORTANT TO MAKE THE EC PROGRAMME OF POSITIVE MEASURES EFFECTIVE. THE QUESTION OF AN INCREASE SHOULD BE LEFT OPEN FOR NOW.

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COMMENT

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COMMENT

8. IN THE LIGHT OF THIS DISCUSSION, IT IS CLEAR THAT OTHER MEMBER STATES WOULD BE RECEPTIVE TO ANY UK INITIATIVE IN THIS GENERAL AREA.

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MIPTS: DISCUSSION OF FURTHER POLICIES ON SOUTH AFRICA

1. THIS WAS NEVER GOING TO BE AN EASY MEETING. IT FULLY LIVED UP TO ITS PROMISE. THE PRESIDENCY TRIED TO PLUNGE STRAIGHT INTO DISCUSSION ON A BAN ON FRUIT, VEGETABLES AND WINE, AND ON COAL IRON AND STEEL, WITH THE OBVIOUS INTENTION OF TRYING TO SECURE A RECOMMENDATION ON THESE TO MINISTERS. MOST OF THE TWELVE, INCLUDING THE FRENCH, MERELY HAD INSTRUCTIONS TO AIM FOR A CONSENSUS ON A BAN AT LEAST ON FRUIT, WINE AND VEGETABLES. THE PORTUGUESE WERE THE ONLY OTHER DELEGATION BESIDES OURSELVES WHO SPOKE AGAINST IT. THE GERMANS, WHO HAD SENT THEIR DEPUTY POLITICAL DIRECTOR, REMAINED SILENT VIRTUALLY THROUGHOUT UNDER INSTRUCTIONS FROM GENSCHER.
2. IN THE EVENT, ALTHOUGH WE DID NOT SUCCEED IN KILLING OFF THE IDEA OF A FRUIT, WINE AND VEGETABLE BAN, WE DID SUCCEED IN BRINGING OUT THE SERIOUS IMPACT ON THE BLACK COMMUNITY IN SOUTH AFRICA, AS WELL AS THE PRACTICAL AND LEGAL DIFFICULTIES OF MANY OF THE OTHER PROPOSALS UNDER CONSIDERATION. ON OTHER ISSUES, WE GOT A GOOD DEAL OF SUPPORT FROM VARIOUS PARTNERS. BY THE END OF THE DAY, SOMETHING APPROACHING CAREFUL CONSIDERATION HAD BEEN GIVEN TO ALL THE MEASURES ON THE DUTCH LIST.
3. OVER LUNCH IT EMERGED THAT MOST OF THE TWELVE FELT UNDER HEAVY DOMESTIC PRESSURE FOR SUBSTANTIVE DECISIONS ON RESTRICTIVE MEASURES AT NEXT WEEK'S EUROPEAN COUNCIL. THEIR PUBLIC OPINION WAS CALLING FOR IT. BLACK AFRICAN OPINION WAS CALLING FOR IT. EVEN THE US HOUSE OF REPRESENTATIVES WAS CALLING FOR IT. THE COUNCIL, THEY FELT, WOULD LOSE ALL CREDIBILITY WITH ITS EUROPEAN PUBLIC IF IT FAILED TO MEASURE UP TO THE SITUATION IN SOUTH AFRICA.
4. IN THESE CIRCUMSTANCES IT WAS INEVITABLE THAT THE FRUIT, WINE AND VEGETABLE BAN, AS THE PREFERRED OPTION WITH MOST PARTNERS, WOULD FEATURE ON THE SHORT LIST TO BE RETAINED FOR FURTHER CONSIDERATION. BUT, SUBJECT TO SEEING THE PRESIDENCY PAPER WHEN IT IS CIRCULATED, OUR UNDERSTANDING IS THAT THE SHORT LIST WILL BE NEUTRALLY WORDED.
5. IT WAS HELPFUL THAT ATTENTION FOCUSSED EARLY ON THE NEED FOR

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GREATER EMPHASIS ON POSITIVE MEASURES. THE FRENCH GAVE A STRONG LEAD ON THIS. IT SHOULD ENABLE THE COUNCIL TO BE OFFERED A PACKAGE CONTAINING SOME RESPECTABLE POSITIVE MEASURES, HOWEVER DIFFICULT DISCUSSION OF THE PROPOSED RESTRICTIVE MEASURES MAY BE.

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Prime Minister

This is a copy of
the FCO brief for Derek Thomas
to use at the Political Committee

PS

Tomorrow.

As you will see, his instructions
do NOT allow him to take a position
on any particular measures or even express
a view. He can only raise questions.

I understand that Chancellor Kohl
may propose a Four Power Conference - US, UK,
France, South Africa. No details yet. CDP 19/6

FROM: W K Prendergast

DATE: 19 June 1986

cc: PS/Mrs Chalker

PS/PUS

Mr Derek Thomas

Mr E Fergusson

Mr Renwick

Mr Reeve

Mr Evans ECD(E)

Mr Ramsden (Presidency
Secretariat)

EXTRAORDINARY MEETING ON SOUTH AFRICA OF THE POLITICAL COMMITTEE,
THE HAGUE, 20 JUNE 1986

1. I submit a brief for Mr Derek Thomas' use at tomorrow's meeting of the Political Committee. It reflects discussion with Mr Thomas and Mr Reeve following the Secretary of State's office meeting this afternoon.

2. We have not been able to get a read out from all our Partners on the positions they will take at tomorrow's meeting. But Mr Thomas has spoken to the German and French Political Directors, who told him that:

(a) the Germans will confine their role to listening and reporting back, though they may question whether the Political Committee has a remit to make recommendations. Mr Thomas also understands that the Germans will be taking the position that decisions should be taken at the European Council and not at the prior meeting of Foreign Ministers on 26 June (which Herr Genscher is unable to attend);

(b) the French will be arguing for a broad mix of policies, but including new restrictive measures.

W K Prendergast

W K Prendergast

Southern African Department

19 June 1986

EXTRAORDINARY MEETING ON SOUTH AFRICA OF THE POLITICAL COMMITTEE,
THE HAGUE, 20 JUNE 1986

INTRODUCTION

At the Foreign Affairs Council meeting on 16 June, there was strong pressure for further EC measures against South Africa. It was agreed that an extraordinary meeting of the Political Committee should be held on 20 June to draw up proposals for the European Council on 26 and 27 June.

The Presidency have circulated a list of proposed further measures. This will provide the basis for the discussion in the Political Committee.

OBJECTIVES

- To rally support for a considered and careful approach.
- Without taking the lead to indicate that we can accept the need for a further mix of policies to bring pressure on the South African Government, while making clear that we are not in a position at this meeting to take any decisions.
- In any discussion of individual measures, to focus attention on those which are consistent with our interests and objectives, and to emphasise the practical and legal difficulties involved.
- To seek to ensure that any measures should be time limited to allow for the possibility of their being lifted in response to significant changes in South Africa.

POINTS TO MAKE

General

- An important meeting. A critical moment in South Africa. Heightened tension, state of emergency, increased danger of slide into chaos.

Outcome of EPG represents a setback for attempts by international community to assist in search for a settlement. But basic EPG concept remains valid and should not be discarded lightly.

- We have basis in the Luxembourg and Lusaka communiqués for an agreed European approach: a total end to apartheid and a peaceful solution in South Africa based on dialogue between the SAG and genuine representatives of those excluded from the government structure. Echoed in objective of EPG: "to further a process of negotiation ... with a view to establishing a non-racial and representative government."
- Entirely agree with EPG and Presidency (Hague Coreu 972) that this remains valid and should be main objective of Twelve's policy.
- Aim - as Presidency says - is to convince SAG that it should initiate dialogue as matter of urgency. Not to drive SAG into a corner, where its response will be belligerent, and obstinately negative; nor to do serious damage to South African economy.
- Well understand frustration and concern that lead to calls for comprehensive economic sanctions.
- Our grave concerns about effects of such measures well known. Believe consequences of any measures in present explosive atmosphere must be very carefully thought through.
- Aim must be to encourage progressive elements in SAG, business community, etc to bring maximum pressure to bear. SAG must be convinced of hopelessness of responding to right wing pressures.
- Clearly very difficult following tougher SAG attitude to unrest, ANC. But to over-react will play into hands of extremists and to leave us without influence, spectators to disaster.
- But need to be sure that any further measures likely to be effective in achieving these objectives.

MEASURES

- Not in a position today to take any decisions on individual further measures, positive, negative or diplomatic.

- But it will be useful to discuss the Presidency's proposed measures in order to give us some idea of their implications. Ministers will wish to be sure that the full ramifications of any future package of measures have been considered.

- We will need to consider for instance:
 - impact of the measures on SAG;
 - impact on South African opinion (government supporters, liberals blacks);
 - impact on South African economy, and on black employment in particular;
 - impact on neighbouring states;
 - which others of South Africa's major trading partners would need to participate;
 - practicalities of implementation;
 - likelihood of evasion;
 - likelihood of South African retaliation.

- Aim should be to identify measures which impact on white supporters of SAG without damaging blacks or FLS. Pointless to adopt measures which hurt eg blacks, while leaving government supporters unscathed. Task of aiming blows with care not easy.

- Need also to consider how measures might be tailored to induce SAG to introduce specific reforms: eg measures might be time-limited (?12 months) on condition that real progress is made on defined targets (release of Mandela; lifting state of emergency; end of Group Areas Act). This might help progressives/moderates in SAG and in business circles to exert influence for reform. But caution needed: ultimatums could actually make it harder for SAG to move.

DIPLOMATIC MEASURES

Withdrawal of Ambassadors for consultations

- Would deprive the Twelve of an important channel of communication at a time when we should be seeking to do all we can to influence SAG's thinking.

- Impact on SA likely to be limited, particularly since it would be a repeat of the action taken last August.

- Recall can be an effective response to a particularly unwelcome action by the SAG. But can be used only rarely if impact is to be maintained; and best decided on ad hoc basis. Therefore outside scope of this exercise.

Lowering Diplomatic Status of The Embassies of the Twelve in South Africa

- Likely to result in permanent loss of access to South African Ministers. Incompatible with Twelve's policy of promoting dialogue if we were to representation in such a way.

Withdrawal of consular facilities for South Africans

- Not at all clear what is envisaged by this measure. Would affect our ability to bring South African Blacks to Europe to study. [If it means withdrawal of visa facilities, does not apply at present to UK as no visa regime.]

POSITIVE MEASURES

- UK already has substantial and increasing (+ 80% in 86/87), programme of bilateral assistance to non-white community.
- Also attach considerable importance to EC programme of positive measures: hope this can get under way as soon as possible.
- Specific measures mentioned in Presidency paper very much on lines already discussed with Commission: see no problem with their inclusion in 1986 programme.
- (If necessary) Not wish to prejudge discussions on 1987 budget but agree in principle that there should be further allocation for positive measures.

RESTRICTIVE MEASURES

Ban on Imports of Fruit and Vegetables and Wine

- Principle accepted in the past is that measures should promote peaceful solution through dialogue and therefore be targetted: should aim as far as possible for measures that hit white community while avoiding measures which hurt poorer sections of black community.

- This principle was feature of Luxembourg package - should be feature of any further measure that we recommend to European Council.

- Large numbers of most vulnerable section of non-white community employed in agriculture (particularly Coloureds in Cape (wine) and Blacks in Transvaal (citrus fruit)). Disproportionate impact on black employment. Would also be seen as self serving by EC in removing competitor from market.

- Would hardly touch SAG's main bloc of support in this field, (Afrikaner farmers produce mainly maize, grain and cattle, not for export).

(If Irish/Danes argue that fruit and vegetables picked by prison labour

- Our information is that use of prison labour is not significant, particularly since repeal of Pass Laws and release of Pass Law offenders.

Ban on imports of coal

- As for ban on agricultural imports, British Ministers concerned at effect a ban on coal imports would have on black employment in mining industry, particularly given the numbers of migrant workers involved (coal industry employs 50,000 blacks).

(If Presidency/Commission argue that Commission can bring forward proposals now under Article 113 of EEC Treaty for fruit and vegetables and for coal for adoption by majority vote)

- Clearly accepted principle in such cases (as Commission noted last week and as Commissioner Narjes made clear in statement to European Parliament) that member states reach consensus first in EPC on basis of normal EPC practice; implementation modalities a question for the next stage.

- Unthinkable to overturn practice and seek to take economic measures for political ends in Community framework without such prior agreement.

-(If necessary) Do not question that a ban on fruit and vegetables imports would require EC action under relevant Article of EEC Treaty.

- (If appropriate) Entirely different situation for coal. ECSC Treaty permits national measures on external aspects under Article 71 [with limited Community supervision].

Ban on imports of iron and steel

- What would be the effect on black employment?
- Iron and steel imports from FLS (eg Zimbabwe)?

Ban on imports of Uranium

- Uranium not mentioned by Presidency?

Ban on imports of Gold/other precious metals

- How would such a ban be implemented? Would it be possible to distinguish South African gold from any other?

- How important is eg platinum? Implications for EC should South African supplies no longer be available? [NB Additional platinum supplies will be needed for new EC vehicle regulations.]

- Danger that ban on imports of certain commodities might lead to calls for action against others (eg diamonds)?

- One possible alternative which would have symbolic as well as economic impact would be a ban on imports of gold coins originating in South Africa, eg Krugerrands, Proteas.

- (If necessary) Agree measures should be harmonised. UK already bans gold coins originating in South Africa.

- If other member states wish to follow, does not require Commission proposal under Article 113, but within competence of member states.

- First Capital Movements Directive justifies even more extensive ban (ie all gold coins including those in free circulation) subject to notification of Commission.

If there is discussion about which items fall within Community competence, or as to whether Article 113 or Article 224 should be used

- If European Council should decide that some further measures might be desirable, clear that experts would need to examine very complex legal situation.

- Dealing with two separate Treaties (EEC and ECSC and even Euratom for uranium) and differing legal situation for each. Clear situation perhaps for steel and for fruit and vegetables; less straightforward for coal and iron.

- Not productive for us here to debate these points nor to reopen traditional arguments about Article 113 versus 224 etc, nor even merits of relevant Articles of ECSC Treaty. Matter to be looked at if Summit decides these issues need to be examined.

(If Commission suggest that Luxembourg measures as well as new measures should be subject to an EC Regulation on basis of Commission proposal).

- Not acceptable. Luxembourg package agreed and implemented on basis of national measures. No reason to go back on that. Has worked successfully.

Ban on new investments

- Likely impact on SAG, business community?

- How would it be enforced? (UK has no exchange control regulations).

- Risk of retaliation by SAG? If they chose eg to prevent repatriation of profits, result would be benefit to South African economy.

- Ministers would require answers to such questions before coming to any decisions.

Ban on Credit Facilities and Loans

- Could politicisation of Export Credits not create an awkward precedent?

E | - Likelihood of South African retaliation? (SAG could bring outstanding export credit loans under debt standstill. Could be very costly for several partners.)

- Possible alternative for consideration could be ban on government to government loans (CHOGM measure).

- Suggest that EC should adopt Commonwealth measure banning: "Government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa".

Withdrawal of trade promotion

- Likely to hurt Twelve more than SAG?

- Possible limited variant for consideration might be Commonwealth measure ending "government funding for trade missions to South Africa or for participation in exhibitions and trade fairs in South Africa".

Action against South African bank accounts

- Not clear what is envisaged by this measure. Much work would need to be done on definitions (eg. Would it cover individuals alone or extend to companies etc.? Would it apply only to new facilities or would it also cover existing accounts? Would it cover only banks or other financial institutions as well? How would we deal with the problem of blocked funds? Would only be effective if parallel action was taken worldwide. How would we ensure compliance eg frm Switzerland?)

Obviously a very complicated subject. Also possibility that it might be welcomed by SAG as reinforcing their attempts to stem capital outflows.

Termination of Double Taxation Agreements

- Questionable value, since for UK at least effect would seem to be extra cost in tax liability for British companies not matched by similar increase for SA companies. Result would be net benefit for South Africa which would accrue directly to South African exchequer.

Break in Air Links

- How could this measure be effected within existing legal and technical structures of international airline industry? Question of legal difficulties: UK/SA air services agreement requires more than twelve months notice before abrogation.

- Could we ensure universal action by all countries who have air links with South Africa (including eg Switzerland, Austria, Israel).

- Considerable legal difficulties: UK/SA Air Services Agreement requires more than 12 months notice before abrogation.

- Would hit liberal section of white community rather than government supporters (who have a reputation of rarely travelling).

Ban on Government procurement

- Negligible impact on SA, while potential for retaliation (given size of South African public sector) is enormous.

Ban on Promotion of Tourism

- Not clear how this would be effected.

- Would we wish to create precedent of closing down offices of private entities for political reasons? (cf PLO, ANC etc).

- First glance suggests this could be political minefield.



POSSIBILITY OF A VISIT TO SOUTH AFRICA BY PRESIDENCY/TROIKA
[ONLY IF RAISED]

- Would need very careful thought.
- SAG would almost certainly refuse if further measures already taken. Might refuse anyway.
- But could propose to SAG in advance of any change of position by Twelve.
- Aim would be to see whether any possibility of progress over, eg, release of Mandela, dialogue with ANC and other groups.
- But failure of such a mission would merely increase pressures among international community for further measures.

ANNEX:

POSSIBLE STATEMENT BY THE HEADS OF GOVERNMENT OF THE TWELVE IN THE EUROPEAN COUNCIL, 26-27 JUNE

ELEMENTS FOR USE IF NEEDED

Any statement on the Twelve's policy towards South Africa could draw on the following:

Purpose of Policy

The purpose of the Twelve's policy is to emphasise to the South African Government the gravity of the situation and the necessity of bold and urgent action to avoid a further deterioration. The Twelve's intention is to maximise the impact on the South African Government without doing harm to the non-white community or seriously damaging the economy.

Internal Situation

Deep concern at increasing levels of violence in South Africa. Dismay that the South African Government decided to impose a national state of emergency, and arrest and detention without trial of large numbers of community leaders. This cannot promote reconciliation and the process of dialogue so urgently needed.

Particularly concerned at the imposition of draconian censorship of the media. A fundamental attack on the freedom of speech. The reality of the situation in South Africa cannot be hidden by silencing the press.

The Twelve call for the immediate lifting of the state of emergency; the release of all those detained under its provisions and the lifting of all restrictions on media reporting in South Africa.

apartheid

Unqualified condemnation of apartheid. The Twelve call for its total elimination in the interests of peace and stability in Southern Africa.

Eminent Persons Report

Welcome the Commonwealth Eminent Persons Report as a valuable contribution to understanding the issues involved and the obstacles to a peaceful settlement in South Africa.

Welcome the Report's endorsement of the Group's principal objective, to promote a process of dialogue with a view to establishing a non-racial and representative government in South Africa.

Twelve's Objective

To convince the South African Government that it should initiate a process of dialogue with genuine leaders of black opinion as the only means to achieve a peaceful solution to South Africa's problems.

Confidence Building Measures

Once again to call on the South African Government to take urgent steps to create a climate of confidence within which a process of dialogue could begin. These steps must include the release of Nelson Mandela and other political prisoners and the lifting of the bans on the ANC and the PAC and the establishment of free political activity.

South African Raids

Condemn South Africa's military acts against the territorial sovereignty of her neighbours and the consequences for peace and stability in the region.

The ANC

The Twelve regard the ANC as one major focus of black opinion in South Africa. They note the opinion in the Commonwealth Eminent Persons Report that there can be no negotiated settlement in South Africa without the ANC.

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CPE/PRES/HAG 972
17-6-1986 2040 HRS. LT. PART 1 OF 2

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OBJET: EXTRAORDINARY MEETING ON SOUTH AFRICA OF THE POLITICAL
COMMITTEE, THE HAGUE, 20 JUNE 1986

REF. CPE/PRES/HAG 962, 943 AND 951

THE PRESIDENCY HEREWITH PRESENTS ELEMENTS FOR DISCUSSION DURING
THE POCO-MEETING OF 20 JUNE 1986.

1. THE SITUATION IN SOUTH AFRICA

THE SITUATION IN SOUTH AFRICA HAS DETERIORATED RAPIDLY DURING
THE PAST FEW WEEKS.

THE REIMPOSITION OF THE STATE OF EMERGENCY AND THE INDISCRIMI-
NATE ARREST OF COMMUNITY, CHURCH AND TRADE UNION LEADERS
IN THE DAYS PRECEDING THE TENTH COMMEMORATION OF THE SOWETO
UPRISING OF 1976 HAVE CREATED A CLIMATE WHICH IS HIGHLY
UNFAVOURABLE TO THE COMMENCEMENT OF A NATIONAL DIALOGUE
BETWEEN THE SOUTH AFRICAN GOVERNMENT AND THE AUTHENTIC
LEADERS OF SOUTH AFRICA'S POPULATION. THE TWELVE HAVE
REPEATEDLY MADE CLEAR THAT SUCH A NATIONAL DIALOGUE IS
ESSENTIAL FOR THE SOLUTION OF THE GRAVE PROBLEMS FACING
SOUTH AFRICA. THEREFORE THEY HAVE CONSISTENTLY URGED
THE SOUTH AFRICAN GOVERNMENT TO TAKE
"CONFIDENCE-BUILDING MEASURES", SUCH AS THE RELEASE
OF POLITICAL PRISONERS AND THE LIFTING OF THE BAN ON
THE ANC AND OTHER POLITICAL PARTIES, TO CREATE A CLIMATE
CONDUCTIVE TO A NATIONAL DIALOGUE.

2. THE FINDINGS OF THE EMINENT PERSONS GROUP OF THE
COMMONWEALTH (EPG)

IN THE REPORT OF THE EPG, AS WELL AS DURING THEIR DISCUSSION
WITH THE PRESIDENCY (CPE/PRES/HAG 943), THE EPG HAVE MADE
IT CLEAR THAT IN THEIR VIEW, THE SOUTH AFRICAN GOVERNMENT
IS "NOT YET PREPARED TO NEGOTIATE FUNDAMENTAL CHANGE,
NOR TO COUNTENANCE THE CREATION OF GENUINE DEMOCRATIC
STRUCTURES, NOR TO FACE THE PROSPECT OF THE END OF WHITE
DOMINATION AND WHITE POWER IN THE FORESEEABLE FUTURE. ITS
PROGRAMME OF REFORM DOES NOT END APARTHEID, BUT SEEKS TO
GIVE IT A LESS INHUMAN FACE". (CH. VIII, PP. 60-64, EPG-REPORT)

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WHILE THIS CONCLUSION IS SUPPORTED BY THE OBSERVATIONS CONCERNING SOUTH AFRICA AVAILABLE TO THE PRESIDENCY AND, THE PRESIDENCY FEELS, IS ALSO SHARED BY PARTNERS, IT APPEARS THAT THE OBJECTIVE WHICH THE EPG SET OUT TO ACHIEVE REMAINS VALID. THIS WAS 'TO FOSTER A PROCESS OF NEGOTIATION ACROSS LINES OF COLOUR, POLITICS AND RELIGION, WITH A VIEW TO ESTABLISHING AN NON-RACIAL AND REPRESENTATIVE GOVERNMENT'. (CH. VIII, PP. 63, EPG-REPORT)

THE PRESIDENCY IS OF THE OPINION THAT THE MAIN OBJECTIVE OF THE TWELVE'S POLICY ON SOUTH AFRICA SHOULD REMAIN THE PROMOTION OF SUCH A DIALOGUE. ON THE BASIS OF THE EPG-FINDINGS, IT APPEARS THAT THE SOUTH AFRICAN GOVERNMENT HAS SERIOUS RESERVATIONS ABOUT THE DESIRABILITY OF SUCH A DIALOGUE AND THE TWELVE SHOULD THEREFORE ATTEMPT TO CONVINCE THE SOUTH AFRICAN GOVERNMENT THAT IT SHOULD INITIATE SUCH A DIALOGUE AS A MATTER OF URGENCY.

END OF PART 1

CPE/PRES/HAG 972

17-6-1986

2040 HRS. LT.

FINAL PART OF 2

3. THE TWELVE'S PRESENT POLICY VIS-A-VIS SOUTH AFRICA

THE POLICY OF THE TWELVE VIS-A-VIS SOUTH AFRICA IS INTENDED TO CONTRIBUTE TO PEACEFUL CHANGE IN SOUTH AFRICA. TO THIS EFFECT THE TWELVE ADOPTED THE LUXEMBOURG PACKAGE OF 10 SEPTEMBER 1985 WHICH, WHILE PARTLY CONSISTING OF ECONOMIC MEASURES, IS PRIMARILY INTENDED AS A POLITICAL SIGNAL TO THE SOUTH AFRICAN GOVERNMENT. POSSIBLE FURTHER MEASURES BY THE TWELVE SHOULD EQUALLY AIM AT INFLUENCING POLITICAL DECISION-MAKING IN SOUTH AFRICA AND SHOULD NOT DAMAGE THE SOUTH AFRICAN ECONOMY BEYOND REPAIR. IN THIS CONNECTION, THE PRESIDENCY WOULD LIKE TO POINT TO THE SPORTSBOYCOTT, WHICH HAS PROVED TO BE A HIGHLY EFFECTIVE POLITICAL SIGNAL WITHOUT DIRECTLY DAMAGING SOUTH AFRICA'S ECONOMY.

AS EARLY AS 22 JULY 1985 THE TEN, TOGETHER WITH SPAIN AND PORTUGAL, STATED THAT THEY MIGHT HAVE TO RE-EXAMINE THEIR ATTITUDE IN THE ABSENCE OF SIGNIFICANT PROGRESS IN THE ABOLITION OF APARTHEID WITHIN A REASONABLE PERIOD, AND THAT THEY WOULD ASSESS THE SITUATION REGULARLY. -2-

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THE TWELVE HAVE ALSO STATED, NOTABLY IN THE DECLARATION OF LUXEMBOURG OF 10 SEPTEMBER 1985 AND IN THE JOINT COMMUNIQUE WITH THE FRONT LINE STATES AGREED IN LUSAKA ON 4 FEBRUARY 1985 THAT THE QUESTION OF FURTHER MEASURES AGAINST SOUTH AFRICA, INCLUDING SANCTIONS, REMAINS IF NO PROGRESS IS MADE IN THE ABOLITION OF APARTHEID WITHIN A REASONABLE PERIOD.

4. THE ADVICE OF THE EPG

WHILE THE EMINENT PERSONS DO NOT MAKE ANY SPECIFIC RECOMMENDATIONS IN THEIR REPORT ON WHAT THE WEST SHOULD DO TO INFLUENCE THE COURSE OF EVENTS IN SOUTH AFRICA, THEIR CO-CHAIRMEN DID SO DURING THEIR DISCUSSIONS WITH THE PRESIDENCY ON 11 JUNE. THE CO-CHAIRMEN ARGUED THAT THE WEST SHOULD NOT REMAIN PASSIVE AND THAT THE CONTINUATION OF APARTHEID, AND NOT THE IMPOSITION OF SANCTIONS, WOULD ULTIMATELY DESTROY THE SOUTH AFRICAN ECONOMY. THEY ALSO EMPHASISED THAT THE SOUTH AFRICAN GOVERNMENT ITSELF BELIEVED IN THE EFFECTIVENESS OF SANCTIONS WHICH IT HAD USED AGAINST LESOTHO, ZIMBABWE AND MOZAMBIQUE.

SOUTH AFRICA FEARED SANCTIONS TAKEN BY THE INTERNATIONAL COMMUNITY. THE ABSENCE OF EFFECTIVE SANCTIONS AGAINST SOUTH AFRICA AT THE PRESENT TIME, THE CO-CHAIRMEN ARGUED, ENCOURAGED SOUTH AFRICA TO CONTINUE ITS POLICY, BOTH INTERNALLY AND IN ITS RELATIONS WITH ITS NEIGHBOURS.

THEREFORE, THE CO-CHAIRMEN MAINTAINED, THE WEST SHOULD APPLY SANCTIONS IN THE NEAR FUTURE IN A DETERMINED EFFORT TO FORCE THE SOUTH AFRICAN GOVERNMENT TO ABANDON APARTHEID.

5. POSSIBLE FURTHER MEASURES BY THE TWELVE

IN ORDER TO MAKE IT PERFECTLY CLEAR TO THE SOUTH AFRICAN GOVERNMENT THAT THE TWELVE ARE NO LONGER PREPARED TO ACCEPT THE PRESENT POLICY OF THE SOUTH AFRICAN GOVERNMENT, A NUMBER OF MEASURES CAN BE ENVISAGED DESIGNED TO PUT PRESSURE ON THE SOUTH AFRICAN GOVERNMENT.

THE FOLLOWING MEASURES COULD BE CONSIDERED.

1. DIPLOMATIC MEASURES

1. THE RECALL OF AMBASSADORS FOR CONSULTATIONS.,
2. LOWERING THE DIPLOMATIC STATUS OF EMBASSIES OF THE TWELVE IN SOUTH AFRICA.,
3. THE WITHDRAWAL BY MISSIONS OF THE TWELVE IN SOUTH AFRICA OF CONSULAR FACILITIES FOR SOUTH AFRICANS., THUS LIMITING CONSULAR SERVICES IN SOUTH AFRICA TO THOSE FOR OWN NATIONALS.

DURING BOTH THE 164TH COPO AND THE MINISTERIAL WORKING LUNCHEON IN LUXEMBOURG ON 16 JUNE, THE DESIRABILITY OF FURTHER POSITIVE MEASURES WAS MENTIONED AND THE FOLLOWING SUGGESTIONS MADE:

1. INCREASED ASSISTANCE TO THE VICTIMS OF THE DISTURBANCES IN CROSS ROADS.,
2. FINANCIAL ASSISTANCE WITH THE LEGAL COSTS OF TRADE UNION, COMMUNITY AND CHURCH LEADERS AND OTHERS ARRESTED IN THE DAYS PRECEDING THE REIMPOSITION OF THE STATE OF EMERGENCY.,
3. THE ESTABLISHMENT OF A EUROPEAN FUND FOR VICTIMS OF APARTHEID.

III. RESTRICTIVE MEASURES

VARIOUS MEASURES CAN BE ENVISAGED.
THEY INCLUDE:

- A PROHIBITION ON THE IMPORT FROM SOUTH AFRICA OF BULK COMMODITIES SUCH AS COAL, STEEL AND IRON.,
- A PROHIBITION ON THE IMPORT FROM SOUTH AFRICA OF FRUIT, VEGETABLES AND WINE.,
- A PROHIBITION ON THE IMPORT OF GOLD AND OTHER PRECIOUS METALS.,
- A BAN ON NEW INVESTMENTS.,
- A PROHIBITION ON THE PROVISION OF CREDIT FACILITIES AND LOANS.,
- MEASURES TO STOP SOUTH AFRICANS FROM HAVING BANK ACCOUNTS OUTSIDE SOUTH AFRICA.,
- A TERMINATION OF DOUBLE TAXATION AGREEMENTS.,
- A BREAK OF AIR-LINKS WITH SOUTH AFRICA.,
- A BAN ON GOVERNMENT PROCUREMENT FROM SOUTH AFRICA.,
- A STOP ON GOVERNMENT SUPPORT FOR TRADE PROMOTION.,
- A BAN ON THE PROMOTION OF TOURISM.

THE PRESIDENCY WOULD FAVOUR MEASURES IN THE FIELD OF IMPORTS FROM SOUTH AFRICA. THESE WOULD BE CLEARLY VISIBLE, THEY WOULD HURT SOUTH AFRICA BUT WOULD NOT DAMAGE THE SOUTH AFRICAN ECONOMY BEYOND REPAIR. THE PRESIDENCY PROPOSES TO CONCENTRATE THE DISCUSSION ON A BAN ON THE IMPORT OF VEGETABLES, FRUITS, WINE, COAL, IRON AND STEEL.

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FIN DE TEXTE

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S AF D
UND
MR DEREK THOMAS
MR FERGUSSON
MR REEVE
MR RATFORD
MR RENWICK

THIS TELEGRAM
WAS NOT
ADVANCED