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18

SOUTHERN AFRICA

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IMMEDIATE

15.11.

FM LA HAYE COREU
TO ALL COREU ++IMMEDIATE DESKBY 21 JUN 1986 13.00Z.

CPE PRES HAG 999 PART ONE OF TWO
21 - 6 - 1986 13.00 L.T.

DIFFUSION RESTREINTE
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OBJET: EXTRAORDINARY MINISTERIAL MEETING ON SOUTH AFRICA,
THE HAGUE, 26 JUNE 1986.

REF. CPE PRES HAG 972 AND 979

THE PRESIDENCY SUBMITS HERewith A PAPER FOR THE
EXTRAORDINARY MINISTERIAL MEETING ON 26 JUNE BASED ON C P E/
P R E S/H A G 972 AND TAKING INTO ACCOUNT REMARKS MADE DURING
THE POLITICAL COMMITTEE MEETING ON 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 UNDISCRIMINATE 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 A N C AND OTHER POLITICAL PARTIES, TO CREATE A CLIMATE CONDUCTIVE TO A NATIONAL DIALOGUE.

2. THE PURPOSE OF THE TWELVE'S POLICY VIS-A-VIS SOUTH AFRICA

THE PURPOSE OF THE POLICY OF THE TWELVE VIS-A-VIS SOUTH

This is presumably the paper which will be on the table at the European Council.
COP

2. THE PURPOSE OF THE TWELVE'S POLICY VIS-A-VIS SOUTH AFRICA

THE PURPOSE OF THE POLICY OF THE TWELVE VIS-A-VIS SOUTH AFRICA IS TO CONTRIBUTE TO PEACEFUL CHANGE IN SOUTH AFRICA. TO THIS END 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 SPORTS BOYCOTT, 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.

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 1986 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.

3. THE FINDINGS OF THE EMINENT PERSONS GROUP OF THE COMMONWEALTH

(E P G)

IN THE REPORT OF THE E P G, AS WELL AS DURING THEIR DISCUSSION WITH THE PRESIDENCY (C P E/P R E S/H A G 943), THE E P G 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. 63-64, E P G-REPORT)

WHILE THIS CONCLUSION IS SUPPORTED BY THE TWELVE, IT APPEARS THAT THE OBJECTIVE WHICH THE E P G 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 A NON-RACIAL AND REPRESENTATIVE GOVERNMENT". (CH. VIII, PP. 63, E P G-REPORT)

4. 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 ITS PRESENT POLICY, MINISTERS MAY WISH TO CONSIDER A NUMBER OF MEASURES DESIGNED TO PUT PRESSURE ON THE SOUTH AFRICAN GOVERNMENT. THESE FALL INTO THREE CATEGORIES:

A. DIPLOMATIC MEASURES

(SUCH AS RECALLING AMBASSADORS)-THESE DO NOT SEEM SUITABLE AT THIS STAGE.

B. POSITIVE MEASURES

THESE WOULD BE OF GREAT IMPORTANCE. THE FOLLOWING COULD BE

B. POSITIVE MEASURES

THESE WOULD BE OF GREAT IMPORTANCE. THE FOLLOWING COULD BE IMPLEMENTED IMMEDIATELY:

- I. INTENSIFICATION OF A POLITICAL DIALOGUE WITH GROUPS OPPOSED TO THE APARTHEID SYSTEM,
- II. INCREASED ASSISTANCE TO THE VICTIMS OF THE RECENT DISTURBANCES, NOTABLY IN CROSSROADS,
- III. ASSISTANCE WITH THE LEGAL COSTS OF THOSE ARRESTED IN CONNECTION WITH THE REIMPOSITION OF THE STATE OF EMERGENCY,

THE SPECIFIC EUROPEAN NATURE OF THE ASSISTANCE FROM THE TWELVE AND THE E C TO THE VICTIMS OF APARTHEID SHOULD BE EMPHASIZED PERHAPS BY THE ESTABLISHMENT OF A SPECIAL FUND OR BY A COMMON CONTRIBUTION TO THE INTERNATIONAL DEFENCE AND AID FUND, A LONDON-BASED, NON-GOVERNMENTAL ORGANIZATION WHICH HAS FOR MANY YEARS PROVIDED FINANCIAL SUPPORT FOR THE LEGAL COSTS OF VICTIMS OF APARTHEID.

C. RESTRICTED MEASURES

A NUMBER OF POSSIBLE RESTRICTED MEASURES WERE PRESENTED TO THE POLITICAL COMMITTEE (TH
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TO THE POLITICAL COMMITTEE (THESE ARE LISTED IN THE ANNEX). MOST OF THESE ARE NOT FELT TO BE APPROPRIATE FOR FURTHER CONSIDERATION BY MINISTERS AT THE PRESENT STAGE, EITHER BECAUSE OF THEIR MINIMAL IMPACT, OR BECAUSE THEY WOULD CAUSE MORE DAMAGE TO THE TWELVE THAN TO SOUTH AFRICA OR BECAUSE THEY WOULD BE VERY DIFFICULT TO IMPLEMENT EFFECTIVELY. THE FOLLOWING ITEMS, HOWEVER, COULD BE EXAMINED BY MINISTERS:

- I. THE PROHIBITION OF THE IMPORT FROM SOUTH AFRICA OF FRUIT, VEGETABLES AND WINE. (THIS WOULD REQUIRE A DECISION BY THE COMMUNITY BASED ON ARTICLE 113. SOME PARTNERS, HOWEVER, ARE OF THE OPINION THAT ART. 113 DOES NOT EXCLUDE NATIONAL MEASURES UNDER ART. 224.)
- II. THE PROHIBITION OF THE IMPORT FROM SOUTH AFRICA OF COAL. (UNDER ART. 73 OF THE EUROPEAN COAL AND STEEL COM. MUNITY (E C S C) TREATY, IMPORT LICENSES FOR COAL ARE TO BE ISSUED BY THE GOVERNMENT OF THE IMPORTING COUNTRY. THE E C S C THEREFORE ALLOWS A RELATIVELY WIDE DISCRETION ON THE INTRODUCTION OF NATIONAL MEASURES, WHICH SHOULD BE FORMALLY NOTIFIED TO THE COMMISSION BY MEMBER STATES).
- III. THE PROHIBITION OF THE IMPORT FROM SOUTH AFRICA OF IRON AND STEEL. (THESE ARE ALSO COVERED BY ART. 73 OF THE E C S C TREATY, BUT THE ISSUE IS COMPLICATED BY THE UNDERSTANDING REACHED WITH SOUTH AFRICA WHICH LIMITS SOUTH AFRICA'S STEEL EXPORTS TO THE E C S C.)

UNDERSTANDING REACHED WITH SOUTH AFRICA WHICH LIMITS SOUTH AFRICA'S STEEL EXPORTS TO THE E C. THIS UNDERSTANDING IS RENEWABLE ANNUALLY AND CAN BE TERMINATED AT 30 DAYS NOTICE. A DECISION TO TERMINATE THE UNDERSTANDING SHOULD BE TAKEN BY THE COUNCIL).

IV. THE PROHIBITION OF THE IMPORT FROM SOUTH AFRICA OF GOLD COINS ORIGINATING IN SOUTH AFRICA. (THIS DECISION CAN BE TAKEN IN THE FRAMEWORK OF E P C AS IT DOES NOT REQUIRE A DECISION BY THE COUNCIL).

THE PRESIDENCY HAS THE FOLLOWING INFORMATION AVAILABLE ON THE IMPORTANCE TO SOUTH AFRICA OF THESE IMPORTS.

A. FRUIT AND VEGETABLES

IN 1984 SOUTH AFRICAN EXPORTS TO THE O E C D-COUNTRIES WERE WORTH USDOLLAR 523.826.000 OF WHICH USDOLLAR 347.941.000 (66 PERCENT) WAS IMPORTED BY THE E C. NO INFORMATION ON WINE AVAILABLE YET.

B. COAL

—IN 1984 SOUTH AFRICAN EXPORTS TO THE O E C D-COUNTRIES WERE WORTH USDOLLAR 1.086.550.000 OF WHICH USDOLLAR 670.750.000 (62 PERCENT) WAS IMPORTED BY THE E C.

C. IRON AND STEEL

IN 1984 SOUTH AFRICAN EXPORTS TO THE O E C D-COUNTRIES WERE WORTH USDOLLAR 886.789.000 OF WHICH USDOLLAR 275.508.000 (32 PERCENT) WAS IMPORTED BY THE E C.

D. GOLD COINS

NO INFORMATION AVAILABLE YET.

THE MINISTERS MAY FURTHER WISH TO NOTE THAT THE POLICY OF APARTHEID, IN THEIR VIEW, HAS CREATED A POLITICAL CLIMATE IN SOUTH AFRICA WHICH IS UNFAVOURABLE TO FOREIGN INVESTMENT, TO THE PROVISION OF CREDIT FACILITIES TO EITHER THE SOUTH AFRICAN GOVERNMENT OR SOUTH AFRICAN BUSINESS AND TO THE PROMOTION OF TOURISM, TRADE MISSIONS AND TRADE FAIRS.

POSSIBLE RESTRICTIVE MEASURES AGAINST SOUTH AFRICA DISCUSSED BY THE POLITICAL COMMITTEE ON 20 JUNE 1986.

- 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.
- A BAN ON TRADE WITH SOUTH AFRICA.,
- A BOYCOTT OF OIL TRANSPORTS TO SOUTH AFRICA.,
- A BAN ON LEASING TO ENTERPRISES IN SOUTH AFRICA.,
- A BAN ON THE TRANSFER OF PATENTS AND MANUFACTURING LICENSES TO SOUTH AFRICA.,
- A BAN ON EXPORT CREDIT INSURANCE

- A BAN ON THE TRANSFER OF PATENTS AND MANUFACTURING LICENSES TO SOUTH AFRICA.,
- A BAN ON EXPORT CREDIT INSURANCE.,
- A RECOMMENDATION TO ENTERPRISES, WHICH EXPORT TO OR IMPORT FROM SOUTH AFRICA, TO SEEK OTHER MARKETS AND SUPPLIEPS WITH A VIEW TO REDUCING TRADE BETWEEN THE TWELVE E C-COUNTRIES AND SOUTH AFRICA.

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